Daily Report

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FBIS-EEU-93-119 *23 June 1993*

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Czech Prime Minister on Future of Europe

AU2206195593 Prague HOSPODARSKE NOVINY in Czech 21 Jun 93 p 14

[Jan Vitek report: "About the Europe of Today and Tomorrow"]

[Excerpt] Crans Montana—The Europe of today and tomorrow was the subject of discussion for three days at the Swiss mountain resort of Crans Montana. The continent's name was uttered in many languages and was declined in all cases regarding the main question asked at the meeting: What should the old continent be like in the new millennium?

Czech Prime Minister Vaclav Klaus dealt first in his speech with some undesirable traits. He rejected centralism of any kind as well as paternalism and the shady practices of distant bureaucracies. He spoke out against controlled trade and other sophistic forms of protectionism in foreign trade.

Controlled trade is another name for the retaliatory measures that are immediately adopted whenever an eastern country scores an export success on western markets, explained Vaclav Klaus. We are prepared to overcome obstacles, he added, but, we reject barriers.

At the end of his speech, Vaclav Klaus said: "We want a free, peaceful, and cooperating Europe. We want unity, not uniformity. We want a global Europe without losing our national identity."

The prime minister was fully supported by [Czech Finance, Economic, and Privatisation] Ministers Kocarnik, Dyba, and Skalicky, who also spoke about the results of economic reform in the Czech Republic.

The conference, which was attended by leading politicians and economists from all European states, was organized by the Crans Montana Forum, an independent Swiss foundation. [passage omitted]

Independent Electrical Grid Survives Test

LD1506194193 Budapest MTI in English 1648 GMT 15 Jun 93

[Text] Budapest, June 15 (MTI)—The electrical power system of the central countries—Hungary, the Czech Republic, Slovakia, and Poland—recently operated for some ten days independently of the CIS countries' electrical grid. There were no dangerous frequency fluctuations for this period, suggesting the system is viable.

Answering an MTI question, a Hungarian electricity load distribution official, Peter Simig, said the "dress rehearsal" took place accidentally as the central countries are linked to the energy system of the CIS by two, 750 kilovolt tension lines, one of which was under maintenance, and the other broke down.

In original plans, independent operation of the East European system was to have been tested only in September. Independent operation is one of the conditions for joining the West European energy system, which could happen in 1996 at the earliest.

Zhulali Visits U.S., Asks for Security of Region

AU2006070593 Tirana ATA in English 0832 GMT 22 Jun 93

["Joint Albanian-U.S. Statement at the End of Zhulali's Visit to the U.S.A."—ATA headline]

[Text] Tirana, June 22 (ATA)—While on an official visit to the U.S.A., Albanian Minister of Defence Zhulali met with senior officials of the Defence Department. He presented an overview on the reform in the Albanian Army and the support of the U.S. Defence Department for the allround reformation of the Albanian Army. Minister Zhulali aired his opinion on the situation in the region and the danger of spreading the conflict in Kosova and Macedonia.

He supported the initiative for sending U.S. troops in the former Yugoslav Republic of Macedonia and demanded to send such troops in Kosova to preserve peace. He demanded from the U.S.A. and NATO to provide assurances for the security of Albania and to punish any Serb initiative to spread the conflict in the region.

The American politicians and military expressed their considerations for the progress of the democracy in Albania.

They expressed the same views in regard to the situation in the region and the positive role of Albania as a factor of stability. They stressed that the U.S.A. will not allow any force to violate the sovereignty of Albania. The U.S.A. will rebuff any Serb attempt to spread the conflict in Kosova.

The statements made by ex-President Bush and President Clinton are available.

The U.S.A. and the allies will do their best to maintain peace and stability in the region.

Defense Agreement Signed

AU2306085493 Tirana Radio Tirana Network in Albanian 1730 GMT 22 Jun 93

[Arben Karapici interview with Defense Minister Safet Zhulali; place and date not given—recorded]

[Text] [Announcer] The most remarkable success of his visit to the United States is the signing of a joint Albanian-U.S. agreement in the field of defense and regional security in the Balkans, Mr. Safet Zhulali told our reporter, Arben Karapici. What does this mean for Albania? Let us listen to the following interview:

[Karapici] The Albanian defense minister's visit to the United States is an important event in political and military relations between the two countries. Today I met Mr. Safet Zhulali, who told me that the visit is of special significance as he is the first defense minister from any former communist country to have visited the United States since the beginning of the Clinton administration. Asked what this meant for Albania, Mr. Zhulali said that there are two aspects:

[Begin Zhulali recording] First, there is the very positive role that Albania plays in ensuring stability in the Balkans and the enormous interest in Albanian policy. That is why in this case the honor belongs to Albania, its security policy, and the democratic developments in Albania. My visit to the United States means Albania enjoys the full political and military support of the United States and its security. [end recording]

[Karapici] Mr. Safet Zhulali said that the U.S. defense secretary and top U.S. officials showed great interest in the political and military position of Albania on the situation in the Balkans, and particularly Kosovo and Macedonia. They considered this position to conform with Albania's foreign policy of strengthening its defense, security in the region, and not allowing the conflict to spread, Mr. Zhulali said.

[Begin Zhulali recording] Immediately after we had presented our view on the depioyment of peacekeeping forces in Macedonia, the next day the U.S. Administration decided to send troops to Macedonia. We said that these peacekeeping forces should be stationed in Kosovo, too, by taking over the positions of the monitoring forces, because the establishment of peacekeeping forces will play a much greater role in preventing the conflict. [end recording]

[Karapici] Our defense minister points out that the U.S. Administration expressed a full understanding at all levels of talks. The highest-level Pentagon officials showed this understanding in the joint agreement. Speaking about this document, Mr. Zhulali told us about the most significant passage:

[Begin Zhulali recording] The political and military leaders that I met expressed their thoughts about the progress of democracy in Albania and especially about the course of the reform of the Albanian Army. They expressed their readiness to support this and to contribute toward strengthening it. They agreed about the situation in the region and said Albania's role was positive as a factor of stability. They stressed that the United States will not allow any force to infringe Albania's sovereignty. Any Serbian attempt to stir up a conflict in Kosovo will receive a serious response from the United States. The statements by former President Bush and President Clinton are still valid. Together with the allies, the United States will do everything in its power to secure peace and stability in the region. [end recording]

[Karapici] The Albanian defense minister spoke about the role of our military bases, which he sees as consistent with the policy of defending the country and regional security in the Balkans.

[Begin Zhulali recording] As far as these bases are concerned, our position is open on this, and we have

stated that, concerning the problems of establishing peace and stability in the region, the Albanian state has put air and navy bases at NATO's and the United Nations' disposal should the UN take such a decision. [end recording]

PD Members Protest Communist 'Corruption'

AU2306071193 Tirana ATA in English 1012 GMT 22 Jun 93

[Text] Tirana, June 22 (ATA)—Members and sympathizers of the Democratic Party [PD] of Tirana City gathered yesterday afternoon in front of the seat of the People's Assembly to protest against the corruption of the ex-social-communist power holders. The demonstrators carried placards saying "Down with communism," "Fatos Nano, leader of the thieves," "We support the democratic government," etc.

The chairman of the Democratic Party of the Tirana City branch, Deputy Petrit Kalakula, greeted the participants saying that this is a demonstration against communism. He expressed determination for sending the criminals and the corrupted to the court and demanded the cleansing of the state apparatus from those hindering the reform.

Deputy Sh. Memia demanded the acceleration of the procedure to punish Fatos Nano, the speedy approval of the Constitution, the discussion of the Law on the Unlawful Profit of the Red Businessmen, etc.

The Chairman of the Democratic Party Eduard Selami also greeted the demonstrators. He expressed the determination of the Democratic Party to carry the fight against corruption to the end. "We are waiting for the justice organisation to send us the procedure on lifting Fatos Nano's immunity as soon as possible. The Democratic Party will continue the proceedings of the Assembly," Mr. Selami said.

During the demonstration, slogans were launched in support of the Democratic Party, its government, and the resolution to fight corruption was expressed.

Agriculture Minister Kalakula Discusses Harvest

AU2206202993 Tirana ATA in English 1015 GMT 22 Jun 93

[Text] Tirana, June 22 (ATA)—The Minister of Agriculture Petrit Kalakula, questioned at the People's Assembly, said that about 140 thousand hectares are sown in grain. About 110 thousand hectares will be harvested with combines and the rest by hand or small harvesting machines.

Minister Kalakula said that out of 903 combines, 820 are privatized now. Credit accorded by a number of countries is making possible the increased number of the agricultural machines. Hence, 50 combines have been procured by means of German credit and 30 others will be ordered. The aid in agriculture will also include the arrival of 800 new tractors by the end of June, secured through Greek credit, and of 150 Italian tractors. Also, 2,250 tractors have been ordered in China, of which 250 will arrive soon.

Measures are being taken to improve the irrigation network. About 35-40 million dollars have been allocated for this project.

Officials, European Experts Discuss Human Rights

AU2206195093 Tirana ATA in English 1718 GMT 20 Jun 93

[Text] Tirana, June 20 (ATA)—Experts of the Council of Europe, who have come to Albania to see the situation of the human rights, paid a visit to a police station and a clinic of psychiatric diseases. At noon, they met with representatives of the Human Rights Commission and the Commission of Foreign Policy.

Messieurs Ali Spahia, Leka Toto, and Halit Shamata pointed out that from the very moment the citizen is detained he is put under legal protection through the advocate, no one can be arrested without plea proofs and authorization by the respective institution. They also were informed of the voluminous work of the Assembly regarding the approval of new laws, their harmonization with constituent provisions.

Concerning the observation of the rights of the members of the minority, the representatives of the commission explained that national minorities are equal before the law and the Albanian nationals enjoy the right of language, education, organization, they are not subject of any discrimination and considered with priority by the state.

Berov Discusses Cabinet Vacancies With Deputies

AU2206204693 Sofia BTA in English 2014 GMT 22 Jun 93

[Text] Sofia, June 22 (BTA)—Prime Minister Lyuben Berov today sent a letter to parliament, requesting that motions for filling the vacancies in the cabinet, and specifically the foreign affairs, transport, justice and culture portfolios, be put on the agenda of tomorrow's plenary sitting. After day-long consultations, the finishing touches on the cabinet changes will probably be put tomorrow.

To the Socialists, the most acceptable nominations are Stanislav Daskalov for foreign minister, Petur Kornazhev for justice minister, Kiril Ermenkov for transport minister, and Ivaylo Znepolski for culture minister, the Socialist MP's said after their faction discussed the cabinet nominations. BSP leader Zhan Videnov told a news conference that the Socialist Party supports Prime Minister Berov's nomination and that the cabinet vacancies will probably be filled without much trouble.

"The offer is almost ready but things are still taking shape," said Yunal Lyutfi, spokesman for the ethnic Turks' Movement for Rights and Freedoms (DPS), interviewed on national radio after DPS MP's met with Prof. Berov. Mr. Lyutfi made it clear that the foreign affairs portfolio was the most contested one. The Lyuben Berov cabinet was elected on the DPS mandate.

The New Union for Democracy (a parliamentary faction formed by MP's who defected from or were expelled from the Union of Democratic Forces—SDS) will insist on its demand for two cabinet portfolios: foreign affairs and justice, MP's of the faction said after a prolonged discussion of their stand today. If the faction does not get a portfolio, half of its 18 members will probably abstain when the matter is put to the vote.

"The Union of Democratic Forces decided that Prof. Lyuben Berov's government decided that what Prof. Lyuben Berov needs is not filling the vacancies but resignation, which would be the only natural outcome, should any such vacancy fillings fail to get through tomorrow," SDS leader Filip Dimitrov told a news conference today. At its regular meeting today, the SDS National Coordinating Council (the coalition's top political leadership) considered yesterday's sitting of parliament when changes in the cabinet of Prof. Lyuben Berov are expected to be put to the vote. Mr. Dimitrov said that all parliamentary forces have now declared that there will be early elections, not later than the spring of 1994.

At its meeting today, the Standing Committee of the Bulgarian Agrarian Party decided to start immediate consultations with all political forces opposing the Lyuben Berov government and to urge for early parliamentary elections, Agrarian Party Leader Anastasiya Mozer told a news conference today.

Zhelev Says Situation in Country Peaceful

AU2206101493 Sofia BTA in English 2108 GMT 21 Jun 93

[Excerpts] Sofia, June 21 (BTA)—As it has been of late, the political situation today was characterized by actions either in support or in protest against President Zhelyu Zhelev.

"I think there is no tension in the country," President Zhelyu Zhelev said on Channel 1 of the Bulgarian National Television after his meeting with Prof. Krustyu Petkov, president of the Confederation of Independent Trade Unions in Bulgaria. "Normally there is the danger of serious political strain when social tension is mounting. There is no social tension in the country, people are busy all attending to their work. Go to the provinces and you will see that the fields are crowded with people harvesting the crops," the president said. In Dr. Zhelev's opinion, some circles have been trying to mount tension artificially. [passage omitted]

"To go on hunger strike for an unspecified period demanding the resignation of a directly elected president is essentially a wish to establish a one-man dictatorship," Georgi Spasov, one of the SDS founders and a former spokesman for the SDS, says in an open letter released today. Spasov's 39-page letter is an answer to Sugarev's letter to the president of the same length. Spasov accuses Sugarev of "a gross manipulation of the facts and an attempt to put the blame for the mistakes of the SDS leadership on the president alone".

The checkup shows that Edvin Sugarev's state of health is satisfactory, a SDS briefing was told today. A journalist working for BTA is on hunger strike in support of Mr. Sugarev and against the dismissal of Ivo Indzhev as director general of BTA by the government.

Now that Mr. Sugarev has achieved his purpose, he must call off his hunger strike, Milan Drenchev, chief secretary of the Nikola Petkov Bulgarian Agrarian Party—one of the several agrarian parties in this country, told a press conference today. In Mr. Drenchev's view, political pluralism in Bulgaria can find its adequate expression when new general elections are held.

A meeting of representatives of 24 formations—extraparliamentary parties, organizations and movements, the ethnic Turks' Movement for Rights and Freedoms, the Alternative Social Liberal Party (the latter two are represented in parliament), the Confederation of Independent Trade Unions and the Podkrepa Labor Confederation (the two most influential trade unions)—was held today. Three days ago these formations declared themselves in favor of constitutional order, national [words indistinct]. Today they stressed there is broad-based support for the lawfully elected institutions. At the same time, it was said, the institutions are not showing initiative in the protection of the democratic public order. A communique adopted at the meeting says the organizers of the campaign against the [passage indistinct]and secure order in the country by lawful means.

The Fatherland Union called for understanding, tolerance, rule of law and public order during the peaceful transition to democracy at a news conference today. [passage omitted]

300,000 signatures have been collected in a sign-in President Zhelev's support, the Extraparliamentary [words indistinct] party told a press conference today. The Municipal Council of the Movement for Rights and Freedoms of Kurdzhali (a region in southern Bulgaria with a compact ethnic Turkish population) today launched a sing-in campaign in support of the legitimate president, parliament, and government. [passage omitted].

Dimitrov Comments on Sugarev Hunger Strike

AU2306070093 Sofia BTA in English 1951 GMT 22 Jun 93

[Text] Sofia, June 22 (BTA)—"I would end my hunger strike only if it should threaten those who are fasting with me in solidarity or the future of Bulgaria, or if a situation should arise in which I would do more harm than good," Mr. Edvin Sugarev MP of the Union of Democratic Forces (SDS), who went on a hunger strike on June 7 pressing for President Zhelev's resignation, said on national radio today.

According to SDS leader Filip Dimitrov, Mr. Sugarev's hunger strike is posing a serious task to the coalition. "We cannot allow a tragic outcome to the strike," he said. Mr. Dimitrov believes that this would be destructive to the coalition because it would place an unbearable burden on the SDS.

As of today, a medical team and ambulance will be on 24-hour standby at Sugarev's home, SDS spokeswoman Nadezhda Mikhaylova said at a press briefing. Mr. Sugarev is feeling weak, but doctors say his condition is satisfactory.

The Socialists intend to take part in public actions in support of the constitutional order, BSP [Bulgarian Socialist Party] leader Zhan Videnov told today's press conference. They have started collecting signatures in support of the president and will back the efforts of the prime minister and the competent authorities to maintain public order either by a declaration of parliament or by amendments to the Meetings and Rallies Act for the removal of the Town of Protest, a tent camp pitched by SDS supporters in the capital's centre.

'Inner Circle' Allegedly Plans for Martial Law

AU2206142493 Sofia OTECHESTVEN VESTNIK in Bulgarian 15 Jun 93 p 1

[OTECHESTVEN VESTNIK staff report: "Advisers and Financiers Are Supposed To Be Preparing a Martial Law Scenario"]

[Text] Scenarios for the introduction of martial law in August or September 1993 have been discussed at a meeting of a relatively modest inner circle attended by a few representatives of some economic groups, of banks and financial corporations, and by presidential advisers. One National Assembly deputy is also reported to have attended. Members of the newly created Group of Nine are supposed to be the promoters of the project.

The scenario envisages the dissolution of parliament, the introduction of martial law, the banning of political parties, and the establishment of presidential rule. The war in former Yugoslavia, the growing crime rate, economic ruin, and the collapse of the banking system were reportedly cited as arguments in favor of such a new regime. The objective is to prevent elections at all costs, which are likely to jeopardize the positions held by these groups.

The analogy with the support rendered by the financial and economic circles in Germany to a certain, notorious dictator with a little moustache, who came into power with their assistance, cannot be overlooked.

Valentin Mollov and Ilya Pavlov are supposed to have been excluded from the circle in question, so as not to disgrace it with certain reminiscences. "Multigroup" counts more by far than Ilya Pavlov, a well informed source points out in this respect.

There is a 50 percent possibility of this scenario being put into operation, according to well informed sources. They claim that the thesis about Viktor Mikhaylov possibly being relieved of his post as minister of internal affairs confirms their argument. In this connection, the statement of Deputy Ivan Palchev (from the Rights and Freedoms Movement [DPS]), who declared that the present chief of the interior forces, Ivan Ivanov, is likely to play an important role in our political life, deserves comment.

The plans discussed at the meeting reportedly envisaged Viktor Mikhaylov to be replaced by a more authoritative personality, such as General Brigo Asparukhov, the current chief of the National Intelligence Service, or by Kosta Bogatsevski, the present chief secretary of the Ministry of Internal Affairs. It was also discussed whether Arlin Antonov, the chief of the National Security Service, should take over the command of the interior forces.

Careful observers recall the campaign that has been conducted over recent months by newspapers closely affiliated to ruling circles, such as 24 CHASA, TRUD, and KONTINENT, which they consider as preparing public opinion for the forthcoming political repressions. The same observers see a connection between the president's address to the Nation delivered on Sunday [13 June] and the alarming indications of discussions about scenarios for the introduction of martial law and presidential rule. The accusations launched against one of the major political forces, namely the Union of Democratic Forces [SDS], for striving to destroy constitutional law

and order, actually coincide with indictments based on Chapter One of the Penal Code. If a head of state launches such accusations, could this not be interpreted as an effort to outlaw the SDS?

It would be appropriate to ask whether the campaign against the SDS government in 1992 was not also an attempt to destroy the constitutional order, in the context of which the president of the republic is launching his accusations today? Let us recall that Filip Dimitrov's overthrow from power was preceded by Zhelyu Zhelev's starting signal at his Boyana news conference. It was followed by news conferences of the chiefs of the law enforcement agencies (on 18 September 1992), which, as one of the participants in the news conference admitted, were carefully prepared a week earlier in the offices of two presidential advisers, namely General Stoyan Andreev and Aleksey Alekseev.

The fact that financial and economic groups are behind the scenario, which some people are tempted to put into operation, shows that the circles in question are really interested in preserving the status quo of the currently prevailing political and economic situation. This was what Zhelev himself admitted. The president's claims that no one in our country would dare to engage in undemocratic activities today, because he would disgrace our country in the eyes of the Western world are quite unconvincing. It is precisely large private capitalist circles in our country that are interested in Bulgaria's isolation from the influx of capital from abroad, because they are, to a great extent, incapable of competing with foreign corporations.

It is not known what role is assigned to the president in the scenario and to what extent he is involved. It is hardly possible to deny that every ruler naturally aspires to expand his power as much as possible. It is difficult to say whether the president would accept such a role. We can only draw our conclusions from his recent public statements, which sound rather alarming, we regret to say.

Anonymous 'Source' Reports Ethnic Turks Arming

AU2206143093 Sofia KONTINENT in Bulgarian 18 Jun 93 p 1

[Boryana Kostova report: "Information on Weapons Imported Through Secret Channels for Adem Kenan's People Is Available to the Cabinet"]

[Text] Over 10,000 firearms have been distributed to activists of the Rights and Freedoms Movement [DPS] [as published] in North Eastern Bulgaria. This has been reported today by a well-informed source which prefers to remain anonymous. Prime Minister Berov was questioned on the subject at a parliamentary session behind closed doors, which discussed the application of Resolution No. 820 issued by the UN Security Council.

The prime minister reportedly replied that the government is in the possession of operational data on a certain quantity of weapons owned by Adem Kenan's [chairman of the Turkish Democratic Party] people, but he did not provide full information on the deputy's question. Berov's statement adds to the picture of arms transfers to the country's so-called ethnic regions, according to our source. He is convinced that secret channels for arms and ammunition imports to Bulgaria definitely exist.

The arrival of three trucks carrying light firearms to our country at the end of May 1993, which KONTINENT reported, was no coincidence, according to our source. The fact that, on the basis of advance tipoffs, customs officials stopped two more trucks carrying similar goods at a certain border checkpoint, reportedly confirms that we are confronted with a well organized operation. Viktor Mikhaylov, minister of internal affairs, also admitted that a truck loaded with weapons was stopped at Vidin. The northern border is not well protected, according to the minister. It is the presumed entry for illegal arms traffic. Our source, however, believes that there is another "door" for such operations. He recalled that a truck loaded with Steyr weapons entered our country with forged documents indicating that it was carrying humanitarian aid for the Persian Gulf area and was seized in 1991 at the Kapitan Andreevo border checkpoint.

A member of the National Intelligence Service claims that there is no information about any illegal party or organization in Bulgaria ordering weapons from abroad. Prime Minister Berov is convinced that the Vance-Owen plan does not apply to our country, but representatives of Kenan's Turkish Democratic Party have repeatedly declared that the division of our state into autonomous regions is their final goal.

Interview With Intelligence Service Chief

AU2206190493 Sofia 168 CHASA in Bulgarian No 24, 15 Jun 93 pp 3, 6

[Interview with General Brigo Asparukhov, chief of National Intelligence Service, by Zoya Dimitrova; place and date not given: "Sokolov and Bonev Kept Close Watch on Dimitrov"]

[Text] [Dimitrova] General Asparukhov, you said in an interview that you gave to 168 CHASA last year that you send identical numbers of reports from the National Intelligence Service [NIS] to the president and prime minister of the Republic. What happens with these materials?

[Asparukhov] Last year we sent approximately 280 reports to the prime minister and the president. The NIS does not prepare materials to its own taste but simply carries out its duties. What is alarming is how this information was handled and used. When Filip Dimitrov's government left office, it failed to return 36 reports relating to various matters. We wrote to the

Council of Ministers asking for them back and were sent 27 of them. They were found in the former prime minister's safe.

[Dimitrova] What is so alarming about the case? Is it that an unauthorized person read them? What is the actual procedure for using such information?

[Asparukhov] They are not classified "Top Secret" for nothing, nor are they addressed personally to the prime minister and president without a good reason. In rare cases, the documents are marked "Top Secret, of Special Importance," and the recipient is required to handle them with particular care. The addressee reads the report and may take notes for himself. If he considers the report interesting for his work or for adopting various decisions on future issues, he may inform the appropriate minister of the contents, but under no circumstances should he hand the document over or take it outside his office.

[Dimitrova] Could he perhaps make a xerox copy?

[Asparukhov] The photocopying and duplication of such reports is prohibited. After a reasonable period has elapsed, a month for example, the reports are returned to the NIS, because they must not be kept at the Council of Ministers.

[Dimitrova] I suppose that the reports not returned from the Council of Ministers were at least registered?

[Asparukhov] Yes, except for two. The clerk in the Council of Ministers section responsible for classified documents did not receive these two documents and never saw them. I will quote part of her reply to our request: "The register book that was handed over to me by Filip Dimitrov's secretary... contained no note that they had been received, and... I cannot provide any information."

In this connection, we sent an official letter to Chief Prosecutor Ivan Tatarchev giving him the facts and asking him to find out whether the documents in question were lost or destroyed. So far we have received no answer. I do not know whether the chief prosecutor has taken any action to investigate the circumstances.

[Dimitrova] What was the subject of the missing reports?

[Asparukhov] It was extremely interesting, and the fact that they have been mislaid continues to worry me. For understandable reasons, I cannot say what they contained because they relate to Bulgaria's policy toward certain states. In the most general terms, they deal with the situation in a neighboring state in which turbulent actions are developing, the UN embargo, the state of the economy of a neighboring state, and the situation in one of the neighboring republics.

There is another top secret report about the "Mont Blanc" and "Neva" projects, which 168 CHASA has written about. The report was sent to Filip Dimitrov personally classified [Asparukhov] "Top Secret, of Special Importance." We were astounded when this report was recently returned to us by the Interior Ministry in a file belonging to Emil Kovachev, former chief of the Information and Analysis Department. Without being registered, it was photocopied and kept there. One may expect it to appear in the press soon. It turns out that the former leadership of the Interior Ministry had photocopied a top secret document of special importance sent to Filip Dimitrov, probably without his knowledge.

[Dimitrova] Our national security is hardly likely to be seriously affected by an interior minister reading or possessing this information.

[Asparukhov] That is true, but only if the information is handled conscientiously. In this case, I am not making accusations against Filip Dimitrov or former Minister Yordan Sokolov, but I would like to point out that the information was retained as a photocopy without being registered. It was therefore left without proper control and anything could have been done with it.

[Dimitrova] Have any other NIS documents been found in the Information and Analysis Department of the Interior Ministry?

[Asparukhov] Emil Kovachev's famous files were also found to contain matrials on companies formed at one time with the knowledge of the Intelligence Service. The letter about these companies was sent in August 1992 to Chief Prosecutor Ivan Tatarchev with a copy to Interior Minister Yordan Sokolov. This very letter was published in full in the STOLITSA ["CAPITAL"] newspaper and in a provincial newspaper called OGLEDALO ["MIRROR"]. We notified the chief prosecutor about this, but it is not clear whether anything has been done about it.

[Dimitrova] It has been known for some time that top secret information has been leaking from the Interior Ministry.

[Asparukhov] This was confirmed on 4 June in an official letter from the Interior Ministry, when they sent me the materials contained in Emil Kovachev's files. There was a lot of materials, addressed to the prime minister, the president, and the interior minister. They even included xerox copies of memorandums addressed to me.

One of the authors of these documents is Radoslav Raykov, who writes to the president of the Republic attacking the director of the NIS. This is the first time in my life that I have seen a note like this, for example—a memo by Radoslav Raykov on a meeting with Filip Dimitrov. It is simply incredible. Look, here is his signature. There is no need at all for anyone to collect such materials in an illegal manner. Some of them have also appeared in the press. I cannot be sure that others will not be published, too. I am sure that the chief prosecutor will take an interest in this matter. In any event, this must be stopped because it directly affects the national security of the state. Furthermore, interested foreign services can certainly draw conclusions from

such press reports about the methods and procedures of Bulgarian intelligence and the special services as a whole and, in the final analysis, find out the special areas of interest for Bulgaria.

Agrarian Party Leadership Calls For Elections

AU2206080193 Sofia ZEMEDELSKO ZNAME in Bulgarian 17 Jun 93 p 1

["Declaration of the Permanent Board of the Bulgarian National Agrarian Union on the Political Situation in the Republic of Bulgaria" issued on 16 June 1993]

[Text] The Permanent Board of the Bulgarian National Agrarian Union [BZNS] is seriously concerned about the constant deterioration of the country's political situation. The newly formed parliamentary majority which elected the procommunist Berov cabinet created conditions for social tension. The amendments to the Land Act, the total cadre changes, and the incipient recommunization in the country, as well as numerous other dubious actions of the state institutions have evoked the justified discontent of the majority.

The BZNS warned the public about the dangers threatening the democratic changes and launched an appeal for the government's resignation and early elections.

The BZNS Administrative Council, in a recent resolution, expressed its negative approach and protest against the president's refusal to impose a veto on the undemocratic amendments to the Land Act. We are convinced as well that the Bulgarian people are entitled to learn the truth and to demand ethical behavior in politics.

Duly appreciating Mr. Edvin Sugarev's gesture, we cannot fail to realize the danger of the appeals for the president's resignation, which is likely to involve a total destabilization of the republican state institutions in our country.

The BZNS Permanent Board is convinced that the escalation of political demands is likely to deviate public discontent from the two most important political issues, namely the government's resignation and early parliamentary elections.

We call on all democratic and anticommunist organizations to join efforts and to coordinate their actions for the government's resignation and for dissolving this useless and helpless National Assembly!

This is the only way out of the political crisis!

Gypsies Protest Against Discrimination

AU2206071493 Sofia BTA in English 1628 GMT 21 Jun 93

[Text] Sofia, June 21 (BTA)—Bulgarian Gypsies are subjected to discrimination, police violence and human rights violations, the leadership of the Gypsy Union told a news conference today. The union says in a declaration that Gypsies are subjected to manipulation by parties and the media, administrative oppression, insolence in the administration of the Law and cynical nationalism. The declaration is addressed to the Bulgarian parliament and the Human Rights director with the Council of Europe.

The leaders said the state institutions are not consistently fighting discrimination, they do not admit representatives of the Gypsy community to the executive and the judiciary and do not protect the Gypsies' inalienable right to participate in social and political life. The union leadership called for minority rights protection and for improvements of the Gypsies' social status.

State institutions should address the Gypsies' problems, says Mikhail Ivanov, presidential adviser on national and ethnic problems and religions, in an interview in today's KONTINENT. "I have been to many places and I have seen lurid scenes of horrible misery like the ones you can see in a film about Ethiopia," Mr. Ivanov says. According to him, clashes between Gypsies and police are no longer isolated incidents which is a dangerous tendency. "Clashes are turning into ethnic conflicts," says Mr. Ivanov.

Klaus Interviewed on European, Domestic Issues

LD2206214193 Prague Stanice Praha Radio Network in Czech 1645 GMT 22 Jun 93

[Regular weekly interview with Prime Miniser Vaclav Klaus by Vaclav Musilek—live or recorded]

[Excerpts] [Musilek] Prime Minister, your Friday address at the conference on the situation in the countries of central and east Europe in the Swiss Crans Montana evoked a considerable response. You probably told the participants from west Europe something that they did not like to hear very much. What was it?

[Klaus] The conference was not only about central and east Europe. I must admit that Yugoslavia was very much talked about, the countries of the former Soviet Union were very much talked about; at the conference there was the Arab League chairman and there were talks with Israel, and so on. So the conference had a much broader scope. There was discussion as to how we were prepared for the fall of communism and what our conclusions were for ourselves, and I said that, paradoxically, we may have been prepared better than they were, because for us it was the dream of our entire lives, the direction of all our lives, while for the West it was, let us say, a marginal event, essentially not concerning every person, and thus the measure of preparedness for the necessary adaptation and change was perhaps different. [passage omitted]

[Musilek] There was also your controversy with the member of the commission of the European Community for customs, direct and indirect taxation and consumer policy. What was the main difference of views?

[Klaus] I do not think that was interpreted very exactly because, rather, I delivered an address and consequently the lady commissioner replied in a rather nervous and exaggerated tone and manner. I did not say a word more. I merely smiled. I do not know why our media got the reverse idea that I replied to the address of the commissioner. It was the other way round. But I think that, for her part, it was the tone which I now dare criticize somewhat, and I described it in Crans Montana by drawing a parallel with a hotel room in which there are labels that you can put outside the door when you want to sleep in, and so on, and one of the labels says "Do not disturb." I said that after the fall of communism the West wanted to proceed further as if nothing had happened. But things were happening. I said, with a certain degree of exaggeration and simplification and inaccuracy, that one can say that somebody is putting out the "Do not disturb" label. This, of course, triggered off a big discussion.

[Musilek] No clear signal has been given at the current summit in Copenhagen as to when the talks on joining the post-communist countries to the European community will start. They talk about doing away with trade obstacles in a rather prospective way. From this point of view, how do you assess the current progress of the EC summit in Copenhagen?

[Klaus] I must admit that at the moment I have only newspaper reports. I have no detailed output which I could analyze. Let us not overestimate ourselves. West Europe and the European Community are very worried about their internal problems, both economic and political, and however much we think that the Copenhagen summit should have been devoted to the questions of the margin of the European Community, it is not the case. They devote the overwhelming part of the time to their internal problems and, at the moment, we have been mentioned only marginally.

I do not think it is good to pose the question as if what was involved was when we would enter something. That is, after all, only the concluding point of the entire process. I consider much more interesting and, at the moment, more important, the entire dialogue between east and west on what the future Europe should look like. Simply to accept that there is a closed club and somebody will enter it passively or not—that is one way of looking at the problem which I simply do not share. I share the view that we must take part in creating the future Europe and this was exactly the tone which provoked the argument in Crans Montana, because the distance and the constant attempts to push us aside exist and they are not acceptable. It was not only my voice that was saying this. [passage omitted]

[Musilek] Prime Minister, the indicators we give to Europe of our development are both economic and political. Do you think that the recent passing of the law on constitutional court, considered one of the pillars of democracy, is a political indicator?

[Klaus] I could not say. Sometimes we overrate home affairs and think that the world is watching us closely. We have done it again. No one among the 700 delegates to the Crans Montana forum had any idea whether we had a constitutional court or not. It would be wrong to assume they did, and we would exaggerate our own importance.

[Musilek] The government is often criticized by the opposition for allegedly lacking a concept in this or that area. Even a number of coalition party officials agree, though, that policy on mass media is non-existent. In radio and television, there are various councils with peculiar working systems. The language used is obscure—one example is the expression public and legal [verejnopravni]. There is also confusion over who has what powers. Is it not high time to address the issue?

[Klaus] I am sure we should address it, but who will do it? You know that the law states it should not be the government. I agree with you that there is total chaos and that the councils have not been fulfilling their role; and this is not just a strong, arrogant view of the premier, but a feeling shared by the citizens of this country. Here I have to say that it is not within the government's power

and that the issue has rested with the radio and television councils. The parliament, not the government, controls the councils. [passage omitted]

It would be possible to initiate a review, and the government can possibly be given the task. I would be very glad, however, if the parliament itself tackled the issue.

Havel Appoints Rubas as Health Minister

LD2206101793 Prague Radiozurnal Radio Network in Czech 1000 GMT 22 Jun 93

[Text] Health Minister Petr Lom was recalled today by President Vaclav Havel on the proposal of Czech Prime Minister Vaclav Klaus. He appointed Ludek Rubas to this post.

New Territorial Arrangement Unlikely Before 1994

AU2206135093 Prague CTK in English 1537 GMT 20 Jun 93

[Text] Prague, June 20 (CTK)—The process of decentralisation and seeking a meaningful form of the Czech Republic's setup will not be and is unlikely to be completed until communal elections in 1994, Czech President Vaclav Havel said in his regular Sunday radio programme talks from Lany.

In his opinion, it is a very difficult and time-consuming task. However, the basic concept of the reform should be drafted as soon as possible, he added.

Havel considers it important that a fundamental constitutional law on the Republic's territorial and administrative arrangement and laws linked to it—law on communities' budgets and election law—be drafted and adopted by the end of this year. Otherwise, there is a danger that the process of decentralisation of the republic's future setup will be politicised in pre-election campaigns.

The basic constitutional law, said Havel, should reasonably balance state administration and self-administration. The question of how many lands or regions the Czech Republic should have, currently being much discussed, is of minor importance, Havel said.

He said that in the foreseeable future he would submit to the parliament the names of 15 constitutional judges. He said he hoped the parliament would be able to approve them at their session in July.

Dlouhy: No Reason To Reduce Steel Production

AU2206134893 Prague CTK in English 2048 GMT 18 Jun 93

[Text] Prague, June 18 (CTK)—Czech Minister of Industry and Trade Vladimir Dlouhy said today there is no reason to reduce steel production in the Czech Republic.

Speaking at a press conference upon his return from Germany today, Dlouhy rejected the view that the European Community should quickly start talks with East European countries on reducing their steel production capacities, as was proposed today by President of the German Association of Steel Producers Ruprecht Vondran at a steel conference in Aachen. Vondran also proposed that the EC would pledge to compensate for some social expenditures provided these countries stopped producing steel. Dlouhy said he had also rejected these arguments during his talks with German Economics Minister Gunther Rexrodt.

I am the last person who would want to maintain a high share of steel production in this country. However, given the fact that we are not subsidizing steel production, are not exporting at dumping prices, and that there is a demand for our products, it does not seem wise to agree to these conditions, Dlouhy said.

He said that offers to reduce the Czech Republic's steel production were determined by efforts to preserve at least part of Germany's steel production. He said that reduction of steel production capacities was certainly expected, as demand for our products will not last forever and our comparative advantages stemming from a cheap work force will also not last forever, Dlouhy said.

Interior Ministry Takes Control of Border Talks

LD2206205393 Prague CTK in English 1949 GMT 22 Jun 93

[Text] Prague, June 22 (CTK)—The guarantorship for the talks on working out an agreement on Czech-Slovak border crossings has been shifted from the Czech Foreign Ministry to the Ministry of the Interior. Czech Interior Minister Jan Ruml writes today in a letter addressed to his Slovak counterpart Jozef Tuchyna.

Beata Bernikova from the Czech Interior Ministry told CTK that Ruml asked Tuchyna to set up a commission of experts to work out agreements on common border crossings and on a system of smooth customs clearing.

The commission is also to discuss regulation measures, now being prepared by the Czech Republic in connection with Germany's amended asylum law which will take effect on July 1. Under it refugees will be returned from Germany to the Czech Republic and Poland.

Bernikova said that the Interior and Foreign Ministries would submit a concept for the Czech Republic's visa policy for 1993 at a government session on Wednesday.

The envisaged Interior Ministry's document on technical securing the Czech-Slovak border will be submitted to the government at its June 30 session, Bernikova said.

Ammunition Stocks Divided With Slovakia

AU2206155893 Prague CTK in English 1838 GMT 18 Jun 93

[Text] Prague, June 18 (CTK)— Ammunition stocks have finally been divided between the Czech and Slovak Armies, and only 200 tonnes of spare parts, 30 tonnes of aircraft material and some containers are yet to be divided, Czech Defense Ministry Spokesman Zdenek Borkovec told CTK today.

Military equipment, technologies and materials are being divided in accordance with the protocol on the division of the Czechoslovak Army signed by the Czech and Slovak Governments.

Republic To Begin Protecting Slovak Border

AU2206064893 Prague MLADA FRONTA DNES in Czech 16 Jun 93 p 1

["(jem, tk)"-signed report: "The Czech Republic Will Begin To Protect Its Eastern Border"]

[Text] Prague—The Czech Republic will definitely begin to protect its border with Slovakia on 1 July, regardless of future developments in the talks with Bratislava on establishing joint border crossing points. Interior Ministry Deputy Spokeswoman Beata Bernikova told us this yesterday.

She said that, from the beginning of next month, the authorities on the Moravian-Slovak border will begin to carry out checks on foreigners from third countries. They will only be able to enter the Czech Republic at designated places. These interim border crossing points will be primarily identical to the current customs points, of which there are 13 on the administrative Czech-Slovak border.

According to Bernikova, the announcement made by Vilem Holan, the director of the Czech Foreign Ministry Slovak Department, that Slovakia has consented to discuss the agreement on a common border at the level of experts cannot be regarded as authoritative.

Police Presidium Spokesman Ales Svoboda has confirmed that 330 soldiers are being trained at the Police Academy in Holesov to serve on the border with Slovakia.

Slovak Government Spokesman Ondrej Hanko said that Meciar's cabinet will first officially apprise itself of the "Czech Government's possible unilateral step," will study it, and will then adopt a point of view. He refused to give any more information. Hanko said, however, that the official Slovak point of view conveyed by Foreign Minister Jozef Moravcik still applies. Last week he said that the steps taken by the Czech side on its own territory are its internal affair.

Civilian Service in Military To Be Reduced

AU2106191293 Prague MLADA FRONTA DNES in Czech 16 Jun 93 p 2

["(zj)"-signed report: "Civilian Service Will Also Be Reduced"]

[Text] Prague—Following the reduction in basic military service, civilian service will also be reduced correspondingly. Men who, for reasons of conscience or religious conviction, refuse to serve in the Army enter this service.

Men in civilian service will no longer serve for the current 27 months, but will serve for only 18 months. The condition that civilian service is 50 percent longer than military service has thus not changed.

According to Ivan Horky from the Ministry of Labor and Social Affairs, however, men who have already entered into civilian service will have to complete their original period of service.

Union Leader Rejects German Steel Offer

AU2206135593 Prague CTK in English 1529 GMT 19 Jun 93

[Text] Prague June 19 (CTK)—Czech metalworkers leader today described as social alms, which would solve nothing, a German representative proposal that the European Community (EC) pledge to compensate for some social expenditures provided East European countries stop producing steel.

The recommendation was submitted by president of the German Association of Steel Producers Ruprecht Vondran to a steel conference in Aachen yesterday. Vondran also proposed that the EC should quickly start talks with East European countries on reducing their steel production capacities.

In his opinion, the East European countries would be given 100 million ECU [European currency units] worth of aid designed for the social sphere, which means that 40,000 East European metalworkers could get their wages in full for a year (5,000 Deutsche marks per capita per year), and simultaneously, they could get new jobs or be trained for other professions.

Jan Uhlir, chairman of the Czech Metalworkers Trade Union, told CTK that, in his opinion, what the Czech Republic needs is restructuring of steel production, not an EC social support. We need free markets, Uhlir stressed.

The proposal for as quick as possible opening of talks with the East European countries on cuts in their steel production capacities was also rejected by Czech Minister of Industry and Trade Vladimir Dlouhy upon his return from Germany yesterday.

UNHCR Studies Refugee Situation

AU2206164293 Prague CTK in English 1257 GMT 18 Jun 93

[Text] Prague, June 18 (CTK)—The Czech Republic is preparing for a possible flood of refugees responsibly, perhaps even too much, the United Nations High Commissioner for Refugees Prague representative told CTK in an interview today.

Daisy Dell said that around 2,700 refugees were living in the Czech Republic in state-run centers. More than 2,000 of them had temporary refugee status and these were mostly from the former Yugoslavia.

However, Dell said that the number of refugees in the Czech Republic was in fact far larger. The UNHCR estimated that there were as many as 8,000 people, mainly from Yugoslavia, who were waiting to go on to Germany and other countries.

It was impossible to estimate how big the flood of refugees to the Czech Republic would be after German asylum laws came into effect on July 1, she said, explaining that it was difficult to say how many refugees would want to stay in the Czech Republic and how many would decide to continue to the West by other means.

Dell said that the Czech Republic was providing satisfactory living conditions for the asylum seekers. More of a problem was the situation of those who already had refugee status but were still living in camps. This was caused by their only having temporary refugee status, although the situation in Yugoslavia was not going to improve soon. Their effectively semi-permanent status caused them anxiety, but this was just a reflection of their deeper problems and worries about the future.

The Czech law on refugees was now being more strictly applied. While a year ago the conditions for the conferral of refugee status were relatively liberal, policy was now stricter.

Daisy Dell said she did not believe that the question of financing refugee care was the most important problem for the Czech Republic. Government representatives had stressed that the country needs money for this, but it was not a key question.

The Czech Republic could not be compared to Somalia or Bangladesh, which was where most of the High Commissioner's Office financial aid was directed, she said.

Prices, Cost of Living Figures Reported

AU2206155293 Prague HOSPODARSKE NOVINY in Czech 21 Jun 93 p 6

[Report prepared by the Czech Statistical Office Department of Price Statistics and Foreign Trade: "Trends in Consumer Prices and the Cost of Living in the Czech Republic in May"]

[Text] The monthly pace of the increase in consumer prices in the first five months of the year still has a downward trend. In May consumer prices increased by just 0.4 percent. Despite the fact that the prices of foodstuffs fell by a further 0.9 percent, public catering prices increased slightly, by 0.3 percent. The cost of services increased by 0.7 percent and the prices of non-foodstuffs increased by 1.1 percent.

In foodstuffs, a decline in prices was again recorded for meat and meat products (by 2.9 percent), eggs and egg products (by 2.3 percent), and fats (by 1.7 percent). On the other hand, prices for flour, confectionery, and pasta products and for beverages increased (by 1.0 percent).

Prices increased from between 0.6 percent and 2.0 percent for the majority of non-foodstuffs. A slight decline was recorded in prices in the cultural facilities category (by roughly 1.0 percent).

Public catering prices increased by 0.5 percent due to the rise in restaurant catering prices, while prices for factory catering fell by 1.0 percent.

A slight increase in prices (of up to 1.0 percent) was recorded in almost all the services categories. The cost of tourist accommodation increased more noticeably (by 7.8 percent).

The increase in consumer prices from the beginning of the year to May (as of December 1992) amounted to 11.7 percent; food prices rose by just 6.6 percent, while the prices of non-foodstuffs increased by 11.5 percent. The largest—and almost identical—price increases, roughly 18 percent, were recorded in public catering and services.

The average annual increase in consumer prices (the average for the last 12 months against the average for the 12 previous months) amounted to 15 percent.

The cost of living in May (compared to April) increased slightly and correspondingly for employees' households (by 0.4 percent) and farmers' households (by 0.5 percent). The cost of living for pensioners' households was the same as the previous month (due to the decline in food prices).

The increase in the cost of living from the beginning of the year to May was almost the same for employees' households (by 11.4 percent) as for farmers' households (by 11.6 percent). The increase in the cost of living was slightly less for pensioners' households (by 9.8 percent).

Meciar, Kovac Placed in Charge of Ministries

LD2206195093 Prague CTK in English 1759 GMT 22 Jun 93

[Text] Bratislava, June 22 (CTK)—Slovak President Michal Kovac today charged Premier Vladimir Meciar to manage the Privatisation Ministry and Deputy Premier Roman Kovac to manage the Education and Science Ministry until new ministers are appointed, Kovac's spokesman Anton Bodis told CTK.

Kovac also accepted the resignations of Privatisation Minister Lubomir Dolgos (Movement for a Democratic Slovakia, HZDS) and Education and Science Minister Matus Kucera (without party affiliation).

Both ministers decided to resign last week after the HZDS board passed a vote of no-confidence on them.

Kovac has not yet appointed new ministers because coalition talks between the HZDS and the Slovak National Party (SNS) still continue.

The HZDS decided to enter into coalition with the SNS after its government became a minority one. The first coalition government with the SNS, which held only one ministerial post (economy), broke up in mid-March. At the end of March eight HZDS deputies left the HZDS group.

Meciar on IMF, Council of Europe

LD2006201893 Bratislava STV 1 Television Network in Slovak 1710 GMT 20 Jun 93

[Regular weekly nationwide television address by Prime Minister Vladimir Meciar—live or recorded]

[Excerpts] I wish you a pleasant evening, dear fellow citizens. Complicated talks have been concluded this week with representatives of the IMF. The Government of the Slovak Republic approached these talks with maximum responsibility. They have been complicated; they concerned many fundamental questions of the economy of the state, stabilization of currency, financial system, as well as credibility of Slovakia. This means winning credibility for Slovakia so that it might become interesting for [words indistinct], as well as a place of investment for other banks. The talks ended in compromise.

The compromise means that each side conceded something from their ideas to fulfill future projects. The compromise means that we have concluded one complicated stage in which we demonstrated our truth about ourselves, the state of the economy, all the positive and negative things. The agreements with the IMF, no doubt, have their positive meaning in that we have prevented the possibility of clashing with the interests of other banks, that we have achieved credibility as a partner capable of repaying credits, that we have achieved a relatively objective situation in assessing our economy.

If you ask the question whether or not the government is satisfied, we must say that during the Thursday voting the government said no, during Tuesday's voting it said yes. What changed in between? We objectively reassessed all the consequences and possibilities and noted that this compromise is inevitable at this time. Nothing stands in the way of improved economic expectations.

Many, even during our stay in Switzerland, congratulated us on the agreement, many consider it a signal that they can conclude other agreements with us. This agreement has a tremendous significance in the world because it is a certificate of trust in relation to the economy of Slovakia. It is a certificate which will make it possible to open up other credit sources. We have been drawing from our own sources from the beginning of the year. We have tried to stabilize the situation from the beginning of the year and we have solved many problems. If today we are embarking on developmental impulses, we must seek sources and help from the outside. That is why this compromise, which has advantages and disadvantages, should be a stepping stone for further development in the coming period.

Last week we had other important visits. European Parliament Chairman Mr. Klepsch was visiting us, former U.S. President Mr. Carter visited us. On Friday, Saturday, and today we had talks at the meetings in Switzerland with representatives of many other states. The talks have brought about one piece of information, namely that we assess and understand ourselves relatively worse than the world around us understands us. THis is, above all, because we do not compare, we do not analyze the objective processes which are taking place in our country. To doubt ourselves—that is the basis for one not to succumb to self-forgetfulness. To use self-analysis is also good. It is the ability to see oneself from the outside. [passage omitted]

That is why we are thankful for all the good words that have been spoken on behalf of this republic, its viability, its situation which have been assessed by all as being substantially better than the boldest expectations.

During our talks in Switzerland we were acquainted in detail with another new fact that will worry us somewhat this week. It is our acceptance to the Council of Europe.

Of course, our acceptance into the Council of Europe does not have a symbolic importance alone in the value of a membership ticket. It has a substantially deeper importance, which is that the whole system of legal relations, the constitutionality of the system, and guarantees of freedoms and rights of man are examined. In those countries which get through such an examination, it is deemed that the situation within the state corresponds to the demands of the present modernizing Europe, that it corresponds to international standards. As is the case of the IMF which provides creditworthiness with banks, such an acknowledgement by the Council of Europe is a sign of confidence in the political system existing within the state. This is why we have

been struggling to be accepted as member of the Council of Europe. We see in it a logical continuation of our endeavors to join the structures of more advanced states, more advanced political and economic systems.

We knew that this would not be a simple matter. We have got through nine out of ten holes. The tenth one has remained half opened, not fully opened, and there is a danger that it will be closed, at least temporarily.

What has happened is this. The system of gaining admission into the Council is Europe is that deputies first vote and then ambassadors of individual countries give their consent. Ambassadors of individual countries have the right of veto. This means that if anyone of them says that he does not agree with the admission of this or that country, then that country cannot be admitted. The position adopted by ambassadors can be changed at a conference of ministers which will, however, not take place until the autumn, perhaps in September, or under normal circumstances it should be November of this year.

The situation is complicated in that the majority of member states take the view that the Slovak and Czech republics ought to be admitted at the same time and that priority should be given to neither of them.

You are already aware of the stance taken when the ambassador of the Hungarian Republic announced that he would veto the entry of the Slovak Republic into the Council of Europe. This means that he will use his right and block our entry. This of course gives rise to many complicated problems. It does not mean that there are doubts about us. These do not exist. Rapporteurs of the Council of Europe and other experts who examined the situation in Slovakia have assessed it positively. One can rather say that by doing this, Hungary's policy does not speak about us. It speaks about itself. Complications have arisen over what, then, to do with the Czech Republic. What will be relationship between these two partners? Everyone is aware that the existing good relations, the still existing customs union require the support of the international community, and if such an attitude is adopted it would markedly differentiate between us. This is a position which we have to take both in relations with ourselves and in relations with foreign countries.

To tell the truth, such a course taken by the Hungarian ambassador is not surprising. It is, however, at variance with what the government of the Hungarian Republic has been proclaiming up to now, that it will support Slovakia. This attitude has of course within itself a number of other aspects. We were interested to find out what were their motives. We received the following answers: The law on Christian names and surnames has not yet been passed. The Benes decrees of 1945 have not yet been abolished. Some proposals put forward by Hungarian political parties have not been debated in the National Council of the Slovak Republic.

It would, of course, be possible to explain in this address that the arguments are not appropriate. The injustices caused by the Benes decrees were rectified in the 1950's by the law passed by the Slovak National Council and similarly by a law passed by the Federal Assembly. Questioning the law on Christian names and surnames is unnecessary since the government has already approved and submitted it to the National Council, where it is at the committee stage. Absolute liberalization and freedom are being introduced.

To lay down further conditions is not, however, an endeavor to pursue good relations. It is rather a misuse of Slovak Republic citizens of Hungarian nationality for other aims. For this reason I have to ask them in this connection whether they are content with the fact that they are hostages in a game against their own state. The Slovak Republic is our common home. The Council of Europe is a guarantee of the protection of their rights, too. It provides institutional guarantees to persons and minorities against any questioning and infringment of their rights. This is why I ask above all them whether they agree with such a game. In the name of you and on behalf of you, but I doubt whether with your consent, some deputies in the National Council of the Slovak Republic and some politicians in the Hungarian Republic are playing this game. We have a few days to discuss the matters and of course to attempt to reverse them. But such attitudes do not promote confidence in our foreign partner and they do not help good and undisturbed relations among the citizens of various nationalities on our territory.

Despite the fact that this is happening, the feeling of togethernessness, and respect for our common state and common home by all our citizens regardless of their nationality ought to be dominant. There ought not to arise any local tensions nor new sources of them. Let us therefore keep our fingers crossed. In the course of the few days still remaining to us, we will attempt to resolve the situation and if we fail to do so, we will wait. Life does not begin and end in one day. Thank you for your attention.

Government Declares Economic Policy

AU2206191293 Bratislava PRAVDA in Slovak 19 Jun 93

[Excerpt from Slovak Government Declaration addressed to International Monetary Fund, issued in Bratislava on 18 June: "Excerpt From Slovak Republic Government Declaration on Economic Policy"]

[Text]

Objectives

For the rest of 1993, our economic policy will be aimed at alleviating fiscal and external imbalance, in order to establish a noninflationary growth. Reaching fiscal deficit [as published] in 1993 is an important part of our program. The continuing restrictions imposed on wage growth should help secure a greater ability to compete and prevent a further increase in the unemployment rate.

We will establish a firm base for retaining the growth. Stabilization measures will be accompanied by a fast tempo of structural reform—particularly in the field of the restructuring and privatization of state-owned enterprises—along with establishing a stimulating and regulatory framework for private activities and the banking system. The government intends to progress in its privatization program and introduce necessary adjustments to the legislative framework in order to stimulate the growth and strengthen financial discipline.

Fiscal Policy

The approved 1993 state budget—oriented toward a very small fiscal deficit—encompasses an extensive reform of the tax system, as well as courageous measures in the sphere of spending. On 1 January, the value-added tax [VAT] was introduced and the system of direct taxes was redrafted (including tax imposed on enterprises and private persons, and social security benefits). The budget also contains general measures to manage spending, including a better selection of recipientso for social assistance benefits. Despite this, the fiscal deficit equal to 4 percent of yearly gross domestic product, which appeared in the January-to-May period, is a source of substantial worries. This was mainly due to a large decline in income (mostly as a consequence of indirect taxes, taxes on profit, and contributions to social security), administrative difficulties with new taxes, weaker than expected economic activity, and problems with insolvency that enterprises must face. On the other hand, overall expenses were under control within the strict budgetary limits, and tax income in the form of fees and payments for services increased substantially.

In harmony with our goal to attenuate inflationary pressures and release financial sources for other sectors of the national economy, we intend to put a 16-billion-Slovak-korunas limit on the 1993 budget deficit, that is, 5 percent of gross national product. To reach additional fiscal goals will require strong measures—on the side of income, as well as spending—in addition to measures that have already been implemented in the approved budget.

Our experience this year tells us that there is an urgent need to improve the collection of taxes through improvement of the legal system, and a stricter application of the existing regulations, as well. In harmony with this, the amendment to the law on VAT will substantially increase fines for nonpayment of taxes, cash registers [registracna pokladna] will be introduced in all firms to register all the data, and a government resolution will make it possible to confiscate movable and unmovable property because of failure to pay taxes—even that of the members of the boards of companies registered as limited. Apart from this, at the end of October 1993, we are expecting the approval of applicable laws that will make it possible for tax offices to acquire information on bank deposits of taxpayers and there will be a limit of 10,000 korunas on daily cash operations. The efficiency of the tax administration will be further increased by a new law on tax administration that will be presented for debate in parliament before the end of September 1993. It is expected that this law will enter into force on 1 January 1994. Measures that are supposed to be introduced on 1 July 1993—even before the Systemic Transformation Facility program is discussed in the IMF Council of Executive Directors—should bring 3.2 billion Slovak korunas in the second half of 1993.

Moreover, we will increase the current tax on real estate by some 25 percent on 1 July, which will bring 0.25 billion korunas.

In the sphere of spending, we will evaluate possible savings by
—lowering investment spending and transfers, based on careful consideration,
—stricter demands to be met when applying for unemployment benefits,
—better selection of recipients of child allowances,
—transfer of some costs of premature pension and sickness to enterprises.

Foreign Policy

On 8 February, after the currency union with the Czech Republic had been terminated, the Slovak position was under great pressure, reflecting speculations regarding the new currency. Premeditated monetary policy lead to the revival of pure foreign reserves [ciste zahranicne reservy] and a stabilization of the foreign currency market. After consultation with GATT, we are planning to introduce a temporary 20-percent markup on the import of consumer goods, until the implemented measures of economic policy have their effect. Profits from these markups will be used to build the capital of the agency providing export credits for small and medium-size entrepreneurs.

In the sphere of the exchange rate of the Slovak koruna, the government will pursue a flexible policy based on important market indices. During the realization of the program, the government does not intend to introduce or intensify any restrictions on foreign currencies, to intensify or modify any multilateral practices in monetary policy, conclude any bilateral agreements on payments that are not in conformity with Article VIII of the IMF agreement, or impose any new import restrictions because of the balance of payments, with the exception of the said import markup.

Policy Regarding Income

The program of the government specifies quarterly objectives for nominal average wages in the state entrepreneurial sector, against which the wage development will be evaluated. We intend to implement correctional measures, so that the wage development should not weaken the ability to compete or to achieve the planned inflation figures. In order to preserve the package of

financial means for wages, average wages in the government sphere (including budgetary and subsidized organizations) will not be adjusted, due to the strained budgetary situation in 1993.

Structural Reform

Small-scale privatization has been virtually completed and the results—in the form of prospering services and trading sectors—are already observable. The first wave of medium and large scale privatization—which includes some 900 entities with a book value of 150 billion Slovak korunas—is almost finished, and shares have been distributed to new owners and shareholders. The second wave of privatization, encompassing some 650 medium-size and large enterprises with a book value of 210 billion korunas has begun. In contrast to the first wave, greater stress has been laid on standard methods, such as public tender, auctions, direct sale, and sales to foreign investors. Amendments to privatization laws that are to be approved in September 1993 will increase the role of the Ministry for the Administration and Privatization of National Property, and limit the importance of privatization projects drafted by enterprises and approved by founding ministries. It is expected that the privatization process will become more transparent and competitiveness will increase, while the number of direct sales to the existing management of the enterprises—which usually decreases the confidence of the public—will decline.

The Slovak Republic Government is initiating a project of inclusion [zapocet] of intercompany claims as of 1 July 1993. Apart from improvement of the payment mechanism, this scheme will help identify enterprises suffering from primary insolvency and help apply the amended bankruptcy law, which came into force on 1 June 1993. According to this law, control over the company will be transferred to the board of creditors established by a court decision, a board that will have three months to draft a plan for salvaging the company. The entire case will be presented to a court to decide on the company's liquidation only if there is no progress within a given period. We assume that costs for irrecoverable claims will be covered by creditors themselves (banks, for instance), and the government—through the emission of bonds in the state budget—or the National Property Fund. To this purpose, a reserve will be created in the state budget for the next year. We are also considering seeking foreign help to support this operation.

With the aim of improving market conditions, the law on economic competition will be amended. A law on the regulation of natural monopolies will be adopted. The government will also support the development of the private sector by adopting a simpler and more transparent legal and regulatory system, particularly regarding the registration procedures for new companies, the issuing of licenses and collecting of applicable fees, ownership rights with respect to land and real estate, and registration and transfer procedures.

Stand-By Treaty

It is an intention of the government to achieve unity with the Fund in the sphere of the economic program as soon as possible, but no later than by the end of 1993, so that, within the framework of higher tranches, the program could be supported on the basis of a regular stand-by.

Minister Defends Restrictions on Immigration

AU2306090993 Budapest MAGYAR NEMZET in Hungarian 22 Jun 93 p 5

[Unidentified correspondent's report on Interior Minister Peter Boross's lecture at the headquarters of the Christian Democratic People's Party: "Hungary Is Full"]

[Text] Interior Minister Peter Boross was the guest of the headquarters of the Christian Democratic People's Party on 21 June. He spoke mainly about Hungary's internal security. Boross said that "Hungary is Europe's most threatened peaceful country." It is threatened because it has become the migration center of the region in the wake of the actual and political wars being waged along its borders. It is peaceful, because there is practically no emigration from Hungary.

The largest number of illegal immigrants is made up of Asians, Africans, and Romanians coming into Hungary with false papers or illegally.

For some time, the Interior Ministry has been applying restrictions, limiting the issue of residence permits, hindering the formation of major colonies of foreigners, and increasing the number of deportations.

Boross declared that he was taking seriously the expression "Hungary is full" because, no matter how much this issue becomes the focus of opposition attacks, one has to see that a wave of racism has emerged in Western Europe as a response to unrestricted immigration. This should not emerge in Hungary.

At the same time, the Interior Ministry has made preparations to accept a larger number of Hungarian refugees in the case of unexpected changes in the Yugoslav situation.

Despite the criticism, one can say that the presence of action units set up within the framework of the Border Police helps to preserve the tranquility of the population living along the border. In addition, these units are also useful for halting smugglers.

As a whole, Hungary is prepared in every way to halt a possible overflow from the south.

Csurka Expelled From Democratic Forum

LD2206184193 Budapest Kossuth Radio Network in Hungarian 1800 GMT 22 Jun 93

[Text] Izabella B. Kiraly and Istvan Csurka have been expelled from the Hungarian Democratic Forum [HDF]. Sandor Kulin, chairman of the party's Ethics Committee, has said that Izabella B. Kiraly's political views are not compatible with HDF views, because she is either unable to comprehend the consequences of her words or else is driven by personal ambition to appear in the limelight. According to the HDF statutes, Istvan Csurka had to be automatically expelled, because the deputy has joined another party. Sandor Kulin added that the Ethics Committee will also deal with the matter of five HDF deputies who have joined the Hungarian Justice parliamentary group.

National Democratic Alliance Chairman Interviewed

AU2206101093 Budapest MAGYAR HIRLAP in Hungarian 21 Jun 93 p 4

[Interview with Imre Pozsgay, chairman of the National Democratic Alliance, by Laszlo Szucs; place and date not given: "National Politics Cannot Mean Flag-Waving"]

[Text] After the Koszeg conference [organized by the Foundation for the Democratic Hungary and Central Europe], we interviewed Imre Pozsgay on the outlook for national politics, the position of his party, and his relationship with the other participants at the conference.

[Szucs] It was also raised here, in Koszeg, that the notion of national commitment has recently been rather discredited. Under these circumstances, what chances can politics that represent popular and national values have?

[Pozsgay] In my view, the government parties will also be able to be successful at the elections if, by that time, they can rid themselves of the elements and phenomena that associate the notion of exclusion with the national concept. However, people who talk about this are right because the political practice of this governmental cycle, which has been laden with serious mistakes, largely appeared under the national slogan. When the word national is mentioned today, citizens can only think of failures and corrupt practices. This is one of the reasons our conference here is important: It warns that the national notion should not mean a waving of the flag and a battle of symbols. Anyone who can only show symbols under the disguise of national interest will have little chance of victory at the next elections. Therefore, we must be very matter-of-fact, pragmatic, and goal-oriented.

[Szucs] In the wake of declaring Csurka and his circle as extremists, and the Hungarian Democratic Forum's [MDF's] loss of ground, a broad alley has been opened in front of the National Democrats. However, you still seem to be continuing to follow a narrow path.

[Pozsgay] We are not prosperity or crisis speculators, and, therefore, we only want to get information to help represent our program and national values. Naturally, this does not mean that if a number of people from the disillusioned national side see us as a possible direction, we should welcome them all. However, in parliament I have consciously kept a low profile on this issue. In 1990 I said that I wanted to avoid even the appearance that I was participating in the disintegration—disintegration would come anyway. Unfortunately, my prediction has since come true.

[Szucs] What help can be given to you by the participants of the meeting and in what can you rely on them in the future?

[Pozsgay] I am only interested in their knowledge and expertise, in a most selfish way. I definitely need their thoughts, but we will not even try to involve anyone in some kind of recruitment.

[Szucs] One of the participants said that, instead of creating nice theories, action would be more useful, for example by including the people gathered at the Koszeg meeting in one party....

[Pozsgay] This idea was not even raised. We consciously selected the guests for the consultation to allow the most distant views to confront one another.

[Szucs] It was also mentioned that the small political forces outside parliament should cooperate with one another. Is this possible in your view?

[Pozsgay] It is not a bad idea. This issue will certainly have to be investigated, but this also depends on the other side, so we first have to get information.

Christian Democratic Party Chairman Interviewed

AU2206102993 Budapest NEPSZABADSAG in Hungarian 21 Jun 93 p 4

["P.D."-signed interview with Laszlo Surjan, chairman of the Christian Democratic People's Party, in Miskolc; date not given: "Unity Must Be Preserved"]

[Text] Laszlo Surjan gave an interview to NEPSZABADSAG after the meeting of the National Committee of the Christian Democratic People's Party [KDNP] held in Miskolc at the weekend. Laszlo Surjan said the KDNP was united and rejected claims of political catholicism regarding his party. Surjan declined to speak about honorary president Sandor Keresztes's letter, saying that a lot of press reports have already dealt with the matter.

[NEPSZABADSAG] In your opening speech, you said that there were people, mainly from the outside, who wanted to split the party.

[Surjan] Let us look at the facts. It appeared somewhere that KDNP Deputy Chairman Miklos Hasznos was striving to dismiss the party chairman. He learned about this from me. What is the sense in publishing such rumors? In such cases, one easily thinks of something deliberate. If we want normal relations between the parties, hysterics should also be avoided in other spheres.

[NEPSZABADSAG] In other words, you are firmly stating that the KDNP is a united party?

[Surjan] Anyone who participated in the debates today and does not say this probably dozed off during the deliberations. Nothing emerged here that shows any sign of separatism; on the contrary, the demand for unity emerged very strongly. In the current situation, namely the tragic dismemberment of the Smallholders' Party and the state of the Hungarian Democratic Forum [MDF], we must particularly protect our unity.

[NEPSZABADSAG] I heard from younger KDNP members that they represented pragmatism within the party, while the president and the older generation were striving for the implementation of some kind of political catholicism. What is your opinion on this?

[Surjan] No normal person has ever accused me of political catholicism. This is not realistic, either, so let us forget it. I must add that there are no generation tensions in our party, and everyone welcomes the younger generation. The KDNP started in the autumn of 1989 and, by the elections of spring 1990, it had largely defined itself. It had been able to produce an accumulation of fine principles, but not a clear program. In the autumn of 1991, I declared that the KDNP must be a program-creating party. If there is pragmatism, then this is it. However, this pragmatism must be based on something.

Most parties have basic principles. Our party started by being able to declare openly its basic principles, while silently declaring other principles; I think, however, that the tones have in the meantime become equal. Our party also presented its basic principless in printed form, and it was the first to publish its election manifesto. Obviously, these principles will continue to mature, but there is a basis on which to build.

[NEPSZABADSAG] Mr Surjan! At the end of your speech, you showed the victory sign slightly awkwardly.

[Surjan] So much fault I also can have.

[NEPSZABADSAG] Earlier, you declared that the KDNP could even win the elections in 1994....

[Surjan] Many people in the KDNP think that the elections will produce results for parties of between 15 and 20 percent. This means that any parliamentary party could be the winner. It is possible that 250 votes will decide which is the leading force.

[NEPSZABADSAG] Did the National Committee also discuss the regulations on nominating candidates? Which candidates will the KDNP present?

[Surjan] I will give you a very complicated answer to this question: We will present good candidates.

Walesa Interviewed on BBWR, Election

WS2206101093 Warsaw RZECZPOSPOLITA in Polish 19-20 Jun 93 p 3

[Interview with President Lech Walesa by Bozena Wawrzewska and Dariusz Fikus; place and date not given: "As Long as I Am Here, I Will Take Care of Everything Myself"]

[Text] [Reporter] How do you evaluate the situation in Poland after the dissolution of the legislature? The situation in which we have a government that does not have any right to issue decrees. Since such a situation is going to last for a few months, is it not going to affect the progress in reforming our country?

[Walesa] In the democratic state that we are building, the Sejm is indispensable and we will see to it that it is part of the system. However, it must perform its tasks efficiently. The Polish reforms are going to be difficult; we must transform the country relatively quickly; we must adapt to performing the tasks that keep arising. It is common knowledge what the Sejm was like. We all observed it. My decision was received with approval. There are certain similarities in revolutions. The winners take it all, sit down at a table, and this is natural. However, it turns out that those who are excellent fighters do not always know how to solve problems. Therefore, Providence helped us verify who proved himself in the period of reforms and what features will be necessary in the future.

[Reporter] What is the most necessary, do you think?

[Walesa] It is agreement above all divisions, backed by wise work. The public and politicians are gathering experience. I believe that the new legislature will take it into account and verify its work. This is why, despite financial losses as well, as a result of the dissolution of the legislature, Polish reforms will be implemented more efficiently.

[Reporter] What is your attitude toward Suchocka's government? Do you think the government and the coalition that has formed it have a chance in the future Sejm? Why are you trying to form the BBWR [Non-Party Bloc in Support of Reforms], while you did not back up the government coalition?

[Walesa] The coalition has been formed because it was a necessity and responsible thing to do. However, there is no longer such a necessity. An election game is going on. Therefore, I said: If you reach an agreement, if you yourselves help each other, then I will help you. However, I did not hear a response.

Therefore, I proposed my own idea. Perhaps it really is not very clear. I have heard it said that I like being the president and want to take as much power as possible. Since the very beginning, and I think that I was the only one to do so, I have been aware that the reforms will be very difficult, that I am taking on the task of reforming the country. Therefore, I agreed to be president. I said something that was passed up: I said that in all situations I would try to find a solution needed in a particular circumstance. Since I suspect that the new legislature will probably resemble the old one, this time, too, I must propose another solution for the people, a solution that will destroy neither democracy nor political parties. The people are demanding greater clarity, greater commitment, and greater efficiency. Therefore, the president came up with a solution that will reconcile all this. I will prove that this will be the case.

Every political party, if it were a decent political party, ought to clearly present its program and politicians. Since, however, our parties are rather mediocre, without any clear programs, I am trying to render the election programs more lucid. Now, before the election, I want to offer the people a programmatic and personal clarity. I want the people to be able to see what views are represented by whom. I want them to know this before the dangerous situation that may arise after the election.

I have divided the matters that are vital for Poland into four sectors that need support: employees, employers, farmers, and self-government representatives. The people should know by now what group their candidate will belong to and what problems he will grapple with in the new Sejm. At the end of the election campaign, my concept should have programs specifying 20 or 21 subjects. For example, let us take a look at the deputy candidates that form the lobby of employees. They certainly must prepare the code of work, deal with the problems related to the bhp [occupational health and safety], and work on the wages problem. Another lobby, such as that of employers, may also propose a 20-item program. Those who are capitalists and are interested in development along these lines, will perhaps make their own suggestions. We are drawing up a list of concrete matters that we want to settle during our term of office.

Each voter would receive four lists and would select his list, the one he supports. After the election we will calculate how many deputies have been chosen from each of the lists. It would be best if 100 deputies were selected from each of them. Everyone who takes part in the voting will know that this or that deputy was on that list; everyone will know who should receive their questions and complaints, how much of the 20-item program has been implemented, what will be carried out tomorrow. Of course, this concept does not include all the issues that the Sejm will have to deal with. I am leaving the other issues to political parties, which must exist in Poland and which must gather strength. After the election, every citizen will remember 21 items and the persons he has voted for. I think that this is the clearest proposal that could be made.

[Reporter] Does it not resemble PRON [Patriotic Movement for National Rebirth], or the National Unity Front [FJN], which once also drew voters to certain ideas?

[Walesa] Everything has already happened. If we had no negative associations with names, no one would doubt

the goals. However, what was concealed behind the slogan of FJN? Emptiness and stupidity. Therefore, while we do not like certain names, let us not lose the goals. Let us not repeat what has already been, including the previous legislature. We will make the new deputies work. Can we not do this today, during the election campaign?

[Reporter] Do you think that it is possible to find a common language, a common program, in the four subjects you have been talking about? For example, will it be possible to form a lobby that will reach an agreement in the area of agriculture?

[Walesa] As one of the real democrats, I am emphasizing: I want the problem of reforms resolved in a democratic manner, with an active assistance on my part. However, I will not meddle with this entirely. I am merely submitting a proposal. Poland needs democracy and it is necessary to contribute to the work of constructing it. It is my modest duty to help democracy. If this does not come off, I will have to dissolve the legislature once again. When it turns out that an agreement is impossible, the president will lead the reforms and implement them.

[Reporter] There is a possibility that the bloc will be formed, but the persons who form it will not occupy a significant place in the Sejm. Would it not be a failure for you? By being a patron to the BBWR, are you not taking risks that are too great?

[Walesa] Many of my excellent ideas have been destroyed. I am not complaining about it. However, I would like, especially the press, to notice what was essential about my proposals. I was the first and only one to declare that a candidate for president should not have his own program, because there would be proposals of the legislature, government, political parties. These proposals would gradually create a program. The response was: How can we elect a president who does not have a program of his own? Well, I knew that if I had a program, I would have to get all the presidential power to implement it. If the president has only limited possibilities and there is not a presidential system, the chances that his program will be implemented are rather slim. Unless I was obstinate, did not pay heed to democracy, and wanted to implement the program against any opposition. I surrendered; I lost my program in the name of building democracy.

The people are not blaming me for my program. They are blaming me for not implementing it. However, the people do not see that if I had wanted to implement it, I would have had to have a presidential system. I did not want to flout democracy; therefore, I started smoothing and polishing. I did it because I wanted democracy to develop, subjects to be implemented. Therefore, I am doing a similar thing again. This is interpreted in many ways. I am saying this as a man who wants to implement Polish reforms.

I decided to be president only in order to lead Poland, with the knowledge that this would be difficult. I could have played the role of a great leader; I could even have become one. I said that I wanted to correct Pilsudski in many areas. Now, am I not correcting him? Can you not notice that I have also dissolved the legislature, but in a better way? I want to do many things, bearing in mind the experiences of Pilsudski and many others, and not having any ambitions to be a leader.

[Reporter] Do you want to play the role of a judge, a politician of the center, an intermediary in controversies? Or would you rather play the role of the leader of one big party?

[Walesa] No, I will stress it once again: I am only specifying the subject. Otherwise the programs will disappear in the parties, and I will not know what has been promised to whom and by whom, and what should be fulfilled. I want to have in Poland for the first time what the people are demanding: Let them do what they have promised. I want to assign the roles very specifically, using names. Then I will be listening for what the people will say. I will also say: Wait a minute, dear people, this is the program you have chosen, the people you have chosen; forward your complaints to them. For example, a miners' strike will break out, a conflict with the employer. I will then address employers and unionists: You have been chosen by the people; please solve this problem immediately. Excellent, legible, and simple.

[Reporter] Is this not an attempt to eliminate political parties?

[Walesa] What I am saying is: You can be in your parties; however, you have committed yourselves to be faithful to your voters. You have entered the Sejm on list number one; that is, the employees' list. Therefore, while in the parliament, perform the tasks that you declared in the election. This is your main goal. Party matters is your own business; I am not interested in them. I want loyalty toward voters, total loyalty.

[Reporter] However, the people do not yet fully understand the idea.

[Walesa] You must try to see to it that the people understand it. Nothing better has been proposed. Legibility, clarity, and concreteness. I have come up with this without the help of any advisers.

[Reporter] So you will check whether deputies have been carrying out the programs they have committed themselves to during the campaign?

[Walesa] Exactly.

[Reporter] Now, what about your election program? What has been carried out?

[Walesa] I have already explained that. I had a choice: either to be a great leader, or to build democracy. I could have gone along Yeltsin's road; I know it because I was the first one on that road. Nonetheless, I decided on an unfavorable course of action. That is, I said: I, Lech Walesa, will lose, but I will verify democracy through the

party system which will often be a nuisance for me. Well, this is just what is happening. There is, however, only one thing I am afraid of. I may lose along with the system that I have been trying to build. After the victory, which I was part of, with the previous system, I am now striving for a greater victory. I want to introduce legibility and clarity in Poland. I want even party names to be legible. Such names as UD [Democratic Union] or PC [Center Accord] are artificial. I am not complaining about it. However, would it not be simpler if a party of employees were established? It would be best if its name were PPR; the thing is, however, that we knc v what are the immediate associations, so this name is out of the question. Or another party: a party of capitalists, or employers. It is simple. Let the liberals lead it; however, is it not better to call it a party of employers rather than a liberal party? Or a party of farmers. The party of farmers would certainly include a Christian party of farmers, a left-wing post-communist party of farmers, and so on, and so forth. Let us, therefore, not complicate the matter any further. When we already have a party of workers or a party of capitalists, they will have a program that I now want to launch quite generally. People are saying: We will get rid of all the well known names; we will get rid of all the parties, Walesa in the first place, because they have not proved themselves. They are shouting: "Communism, come back!," and so on. Now, why are the people saying all this? Because we, political activists, are not understood. We are even difficult to pin down. However, if the Sejm is elected according to my proposal, everyone will know exactly why they are in that place.

[Reporter] However, this requires social support. How do you evaluate your popular support? The opinion polls are not very optimistic.

[Walesa] I am not worried, because the law, which was enacted even spitefully, does not allow for the president to be recalled. I am not fighting for support. I am just working overtime. I have done what you have told me to do, and much more. Are you bearing a grudge against me because I have done an awful lot of work? I am not afraid of my successes. I am not thinking about them. That is the way I am.

[Reporter] The campaign is very short. You must win political parties over to your concepts. However, you have scores to settle with them.

[Walesa] I am rescuing the parties! Can you not see that? They are so arrogant that they cannot feel the temperature of society; they do not realize what is going to happen. They are sitting in Warsaw, and do not know what is going on around them. It is I who is rescuing the party system and democracy.

[Reporter] One day you talked about support for the left pillar. Do you not think that now it is the right pillar that needs support? The right wing is very weak, but it should still be present in a normal multiparty system.

[Walesa] The problem consists in something else. I divide people into those who want to do something and those who pretend to want it; into decent people and those who are not decent. Everywhere, both on the right wing and on the left wing, there are various people. One should first of all serve the people and solve their problems. Both left- and right-wing members can do this. I want to build a normal system, where there are communists, a left wing, and a right wing. The right wing was persecuted for the past 50 years. Therefore, it will have to take lessons for quite some time; it cannot shoulder burdens that are too heavy for it. It took loads that were too heavy; it got too many presents from the president and did not manage to lift them. Now it is complaining; it got 100 kilograms of gold and dropped it on its feet. It is crying that it has hurt its leg, and complaining that I gave it the gold. I gave a lot to the right wing. It could not handle it, and will not be able handle it for quite some time. It must sleep it all off and learn. We have such a mess today that we are not sure where we have our right wing and where is the left. They say right wing so that it sounds better, but have a left-wing program, and vice versa.

[Reporter] What would you like the new Sejm to be like?

[Walesa] I will not answer this question. I have several options. Also, I must say a bad thing: It is impossible for me to lose. I have tried to predict various scenarios, but I will select a solution that is best for Poland. If I revealed that today, politicians would immediately attack me and foul it all up. Furthermore, I know how the situation will develop. I am not saying this out of conceit. My computer is working all the time; I only hope that nothing breaks down in it.

[Reporter] What do you think of the project of a new administrative reform, of the new territorial division?

[Walesa] It has to be done. However, it is not enough to come up with a good solution; one must also know when to implement it. The division should be brought into effect; however, it must not be imposed. We must arrive at it with persuasion and the force of facts. We must do it, but it is also important how we will do it. I would like as many people as possible to understand and want it. It should not be done against them and too quickly. You can plant the best banana in Poland, but it will not grow anyway. It will grow in America or in Africa, but not here. The same holds true of programs. Many times I myself submit programs too early, but then, I always explain why I am doing that.

[Reporter] How are you going to spend this year's vacation?

[Walesa] I have not had a real vacation since the time when I worked in the shipyard. I do not expect that I will take one this year.

[Reporter] However, if you gave in to temptation and went fishing, who would you entrust with the task of governing the state for two weeks?

[Walesa] No one. Not because I love power. Anyone who would substitute for me would not be familiar enough with all the issues. I can appoint someone to represent me at a meeting; however, I cannot appoint anyone to substitute for me in the state. I have become so involved in the role of reforming the country that I simply cannot see a substitute. I will be happiest when I move out of this house. However, as long as I am here, I will take care of everything myself.

Indonesian Foreign Minister Meets With Walesa

LD2106195993 Warsaw PAP in English 1938 GMT 21 Jun 93

[Text] Warsaw, June 21—Indonesian Minister of Foreign Affairs Ali Alatas, now on a visit to Poland, said on Monday he sees Poland as a bridge for his country's entrance "to other markets in this part of Europe."

Following the Polish-Indonesian plenary talks Alatas added that the "deepening of knowledge on economic potential and possibilities of both countries" is one of the basic conditions for the development of Polish-Indonesian economic contacts.

Polish Foreign Minister Krzysztof Skubiszewski, with whom Alatas cochaired the talks, on his part said that Poland is very much interested in the expansion of relations with southeast Asia and added that "Indonesia has a leading role here."

Later in the day, ali Alatas held talks with Prime Minister Hanna Suchocka, with the latter expressing hope for a successful development of contacts between the two countries. Minister Alatas declared interest in economic cooperation with Poland which, according to him, may be conducive to Indonesia's entering the markets of the former Soviet Union.

During a meeting with the Indonesian foreign minister, President Lech Walesa pointed to the need to further develop bilateral relations, and mentioned shipping, mining and metal industries as the preferred areas of cooperation between Poland and Indonesia. He said he wanted to encourage Indonesian businessmen and specialists to visit Poland to study possibilities for cooperation.

Minister Alatas thanked for a possibility to meet with President Walesa who "is very popular in Indonesia for his giving an impetus to changes in Europe and in the world." He pointed to the good political relations but added that economic contacts could be closer.

Meets With Minister Arendarski

LD2206131093 Warsaw PAP in English 1220 GMT 22 Jun 93

[Text] Warsaw, June 22—Indonesia Minister of Foreign Affairs Ali Alatas on Tuesday, the last of his visit to Poland, met with Poland's Minister for Foreign Economic Relations Andrzej Arendarski to discuss the development of Polish-Indonesian economic relations.

For the ministry, Boguslawa Barankiewicz said following the meeting that the Indonesian side "showed growing interest in Poland." Indonesia expressed its readiness to export to Poland products of its textile industry and to participate in the modernization of Poland's textile industry.

The Indonesian side expressed also its interest in Poland's offers linked with joint implementation of projects linked with the development of Indonesia's power industry and with the construction of open pit coal mines.

Barankiewicz said that the Indonesian delegation has brought up the issue of establishing direct mutual economic contacts avoiding such middlemen as Singapore or Western Europe.

During the meeting, the ministers reviewed possibilities of cooperation among Polish and Indonesian banks. Barankiewicz said that the Polish side may have the opportunity to join the Asian Development bank, a major source of credits for investments in Asia.

Commission Explains Election Coalition Rules

LD2106210693 Warsaw TVP Television First Program Network in Polish 1730 GMT 21 Jun 93

[Relayed by Warsaw TV Polonia network]

[Text] The State Electoral Commission has explained that the election committees of coalitions consisting of a few parties will not have to collect members' signatures if one of the committee's members is a party which, in the dissolved Sejm, had a parliamentary floor group of at least 15 members. However, it is still not known if the Liberal Democratic Congress [KLD], which at the time of the dissolution of parliament did not have its own floor group although it had 37 deputies, should have the privilege of not collecting signatures.

[Reporter Iwona Maruszak] Deputies from the KLD had their own parliamentary floor group at the beginning of the Sejm term. Afterwards, they formed a joint parliamentary floor group with the Polish Economic Program and four deputies who left the Centre Alliance. In this case the Liberals have not been placed on the list of parties which had parliamentary floor groups at the time of the dissolution of parliament. The State Electoral Commission will decide whether they have to collect members' signatures in order to register independent lists of candidates after obtaining additional information from the Sejm Presidium. [video cuts to show Professor Andrzej Zoll, chairman of the State Electoral Commission, being interviewed by correspondent]

[Begin recording] [Maruszak] If you are given the reply that everyone expects, that it turns out that at the time of

the dissolution of the Sejm the KLD did not have its own floor group but that the party had 37 members from the beginning to the end of the Sejm term, what interpretation can there be, in light of what you have just said? What will the State Electoral Commission's interpretation be?

[Zoll] I will be able to answer that after the State Electoral Commission has made a decision. [end recording]

Jacek Kozlowski, deputy head of the Liberals' election campaign, does not conceal that his party will feel discriminated against if it is asked to collect signatures. If the KLD decides to go for an election alliance with the Democratic Union it will not have to collect signatures.

The State Electoral Commission recalled that election campaigns are banned in military units. Meetings with politicians who are candidates in the elections cannot be organized in military units.

Government, Private Broadcasters Dispute Ban

LD1806212493 Warsaw PAP in English 1829 GMT 18 Jun 93

[Text] Warsaw, June 18—Both the government and private radio and tv broadcasters reacted unfavourably to Thursday's announcement by the head of the National Council on Radio and TV Marek Markiewicz who declared that as of 1 July all private stations would have to discontinue broadcasting or face penalties.

Head of the cabinet office Jan Maria Rokita said Friday such a position of the Radio and TV Council was "extremist." The complex legal situation required not only the observance of the law, but also common sense, Rokita remarked.

The press secretary to Prime Minister Hanna Suchocka announced that Rokita's utterance reflected the government's position.

In Katowice on Friday President Lech Walesa said he was opposed to a ban on the operation of the existing private stations until they complete the legal formalities.

The Association of Private Broadcasters sent letters to the prime minister and the president Friday pointing out that members were to be punished for the foot-dragging of two parliaments which during a period of three years proved unable to pass the necessary legal acts.

The law on radio and tv finally adopted earlier this year and which takes effect 1 July requires that all broadcasters obtain a licence to operate legally. However, time is too short now to meet this deadline for procedural and bureaucratic reasons.

Several major radio station operators announced they would obey the law, however unfair to them. But they branded the decision of the Radio and TV Council "an outright attack on democracy and freedom of speech" and stressed that a discontinuation of broadcasting would mean huge financial losses for them.

Andrzej Woyciechowski of Zet Radio of Warsaw added he did not think the government would let the prosecutor's office, which it controls, to close down independent private stations.

Speaking to a radio interviewer Friday afternoon Marek Markiewicz pointed out that the council he chaired did not suggest any moves to such state institutions as the prosecutor's office.

He vaguely hinted that it was the prime minister who had wanted that a meeting take place between the council's chairman, the public prosecutor general and the minister of communications. He also said he still waited for the p.m. to confer with the council on the present situation.

Markiewicz declared firmly that everything was now in the hands of the government and the question on whether illegal private broadcasters would be penalized after July 1 should be put to the justice minister and the prosecutor's office.

Finance Ministry To Give Credits to Farmers

LD1906193793 Warsaw PAP in English 1807 GMT 19 Jun 93

[Text] Warsaw, June 19—The Ministry of Finance has so far signed agreements with 21 banks on subsidised credits for farmers. The 1993 budget allotted 1.5 trillion zlotys (ca. 90 m dollars) for this purpose.

Subsidies from the budget make it possible for the banks to extend loans at lower interest for fertilizer purchases, land acquisitions, modernization of farms and stockpiling of some produce.

According to estimates of the Agriculture Ministry, the banks receiving budget subsidies should be able to extend a total of 8 to 10 bn zlotys in preferential credits to farmers this year.

Conservative Party Chairman Hall Interviewed

WS1806120093 Warsaw Radio Zet in Polish 0615 GMT 18 Jun 93

[Studio interview with Conservative Party Chairman Aleksander Hall, by program moderator Andrzej Woyciechowski; from the "Guest of Radio Z" program—live]

[Text] [Woyciechowski] The Conservative Party is one of three parties which make up the Polish Convention Club and consisted of 28 deputies in the dissolved Sejm. As the result, it may participate in the elections without collecting the required signatures. Who will the Polish Convention join in the elections? Will it act alone or join one of the blocs suggested by Prime Minister Hanna Suchocka?

[Hall] We have repeatedly suggested the formation of a broad bloc that would reflect the former coalition. This has been prompted by the analysis of the situation. The reforms are endangered and the populist leftist forces are consolidating. I think that this country needs a counterbalance and a demonstration of solidarity. I wrote about this in RZECZPOSPOLITA. Poland currently needs cooperation between people such as Tadeusz Mazowiecki and Wieslaw Chrzanowski.

[Woyciechowski] If this happens and a broad coalition of the Democratic Union [UD], the Christian National Union [ZChN], the Liberal Democratic Congress [KLD], and the Polish Convention is formed, a referendum will take the place of the elections. It will be over the issue of: Do you support the Suchocka government and the reforms represented by this government? Are you not afraid?

[Hall] I believe that Poland, in fact, needs such a referendum. People should be asked: Do you support the continuation of the basic directions of reforms, or do you prefer to listen to empty promises which are a manifestation of nostalgia for socialism? I do not want to say that there have been no mistakes over the last four years. I can even pinpoint them. Nonetheless, I think that abandoning the road chosen in 1989 would amount to a disaster.

[Woyciechowski] During yesterday's meeting with Prime Minister Suchocka you advocated your concept of a broad coalition. However, you were rather alone. All the big parties are choosing large blocs.

[Hall] Nobody has said no to a broad coalition. A very important opinion was sounded there—that of Hanna Suchocka. She said that this solution seemed the most acceptable to her. Bogdan Borusewicz and Jan Rulewski spoke in the same vein. Today, they are not formally representing the union's structures but those who know the history of the movement that has led to the overthrow of communism in Poland, know who these people are. This was a relevant opinion.

[Woyciechowski] In other words, a broad coalition that would include Solidarity heroes like Borusewicz and Rulewski could win some votes of Solidarity's electorate.

[Hall] I think, yes. Rulewski calls these activists epic heroes. There is something to it. By all means, these people are devoted to trade union ideology and the protection of employees. However, these people created Solidarity not as an organization to ruin Poland but, quite the contrary, as a force capable of reforming Poland and leading it away from socialism. In my opinion, these people are representing Poland's best virtues.

[Woyciechowski] If such a broad coalition were to participate in the elections, how many seats in the parliament could it win? Do you think that it could be more than 50 percent of seats?

[Hall] No, I think that this is an overly optimistic forecast. However, we should bear in mind that the Election Law grants bonuses to the winners, while groupings that will overstep the margin of 5 percent in the national scale, which is a very tough task, will have very small representations. Thus, the logic of this law favors the strong. In this case, such a bloc could become the dominant power in the new Sejm and dictate its conditions to other parties. Otherwise, the following scenario is probable: the UD will be in the Sejm, but in very unfavorable surroundings. For all other members of the coalition the threshold of 5 or 8 percent will be difficult to overcome.

[Woyciechowski] If this concept of a broad coalition fails and one has to choose between the two blocs mentioned yesterday by Prime Minister Suchocka—the UD and the KLD, and the ZChN, where will the Polish Convention be?

[Hall] This is a decision to be made jointly, and I believe that we will make it. However, there is another choice. The Convention may put forth its candidates all over Poland. However, we will win votes at the expense of the KLD, the UD, and the ZChN. We have no chance to win votes of the Confederation of Independent Poland [KPN], the Alliance of Democratic Left [SLD], or Solidarity, because they have the support of very different voters. This would be a fratricide.

[Woyciechowski] Speaking of winning votes at the expense of other parties, whose votes will the Non-Party Block in Support of Reforms [BBWR] attract ?

[Hall] It is not clear whether the BBWR will participate in the elections. This is a mystery to me, because I can see a tremendous incongruity in this group's program. Not long ago, I heard from my Gdansk acquaintance Borowczak who said: Those who support our program of 300 million are welcome. I believe that this program is just a myth, and I am surprised that there are businessmen who can think seriously about participating in such an undertaking.

[Woyciechowski] Would you not like to be paid 300 million?

[Hall] I would love to. However, I know that if everyone is paid this sum, its value will amount to the price of a pack of cigarettes.

[Woyciechowski] How will the Sejm look after the elections? Will this be a dynamic and an efficient Sejm? Will it nominate the government quickly? In a nutshell, will it be better or worse than the previous parliament?

[Hall] In my opinion, the previous parliament merits a critical assessment. The fact that it entrusted the president with its fate makes the assessment even more critical. There was much immaturity in the Sejm. Nonetheless, I am afraid that from the point of view of reforms, the new Sejm will be even worse. Only solidarity and the consolidation of forces eager to continue

the reforms initiated in 1989 may yield a chance for a strong bloc in the Sejm. Such bloc will not let Poland waste the legacy of the last four years. However, it is easy to imagine another scenario. Judging by public opinion polls—and I think that they are a reflection of the atmosphere in society— there is a tremendous danger that the Sejm will prove very difficult to control. The SLD, the Peasant Party [PSL], and perhaps the KPN will have strong positions. How can Poland be ruled then? What will the program be?

[Woyciechowski] This is quite an interesting analysis. If the next Sejm is to look as you say, and you are not the only one to issue such a forecast, who will rule Poland? Which coalition will hold the steering wheel?

[Hall] I am afraid that this could mean failure of the Polish reforms. I think that a union between the SLD and the PSL is possible—these forces are rooted in the old system. There is also continuity in personnel—many PSL deputies were once United Peasant Party [ZSL] apparatchiks—some of them held Polish United Workers Party [PZPR] posts and then joined the PSL. Such an alliance is a possibility. Then, the UD would face a tragic dilemma: Either to join these forces or play the role of the opposition. In the first case, the UD would confirm the diagnosis contained in the Leftist June [a recent anti-Walesa book]. It would appear as if a plot occurred four years ago, and now the plotters are dividing the loot. In the second case, the opposition would have no chance but to hamper the process of the destruction of the Polish economy, which, in my opinion, would take occur under leftist rule.

[Woyciechowski] If this variant became true and Poland was ruled by the coalition of the PSL and the SLD, it would mean that workers and peasants are ruling the state again. There have always been opinions that right-wing forces are strong in Poland and that the right has become even stronger after Solidarity revolution. What is happening to the right now? Why are you, a representative of the right, speaking about the crazy right wing?

[Hall] Unfortunately, some leaders of right-wing groupings behave as if they were insane. In listening to public speeches of Jan Parys, I have the right to ask whether this is a balanced political stance. When I see rightists flirting with the trade unions, permitting Mr. Jankowski to solve their inner disputes, and associating with Mr. Wrzodak, I have the right to ask: What kind of rightists are they? In my opinion, proclaiming love for the nation, independence, and the Christian tradition is not enough to be called a right-wing politician. The right also means responsibility, economic rationalism, fidelity to the principles that have safeguarded the construction of the rich Western society. The right that we have in Poland is a strange combination of sentimental patriotism, economic irresponsibility, and lack of responsibility for the state.

[Woyciechowski] While speaking about the crazy rightists you only mentioned Jan Parys. Is there a chance that a coalition will be formed between the Conservative Party and the Central Accord [PC]?

[Hall] Absolutely, not. I have spoken positively about Jaroslaw Kaczynski, and have attempted to create a broad coalition with the PC. Unfortunately, the PC has made its choice which places former Prime Minister Jan Olszewski, Jaroslaw Kaczynski, and Antoni Macierewicz in one line, and Mr. Wrzodak and Mr. Jankowski somewhere in the background. No, there is no chance of a compromise.

[Woyciechowski] The Polish Convention is getting ready for the elections although it does not know which bloc it will join. The Polish Convention includes you, Slisz, and Laczkowski—the leaders of the three parties that make up the Convention. Are there differences among you? Is it possible that the Convention will disappear if the broad coalition fails?

[Hall] We will do everything to act jointly. If we split, this would be our joint failure. There is absolutely no difference in our approach toward the basic issue: Poland needs a broad accord. If the prime minister also wants this, I think that the leaders of the strongest groupings within the coalition—those of the ZChN and the UD, must consider it. The existing minor discrepancies regarding their ideology and programs must not [as heard] be subordinated to activity on behalf of Polish reforms.

Article Describes Press Law Draft

AU2106175293 Warsaw GAZETA WYBORCZA in Polish 14 Jun 93 pp 1, 3

[Agnieszka Kublik article: "Give, Do Not Refuse"]

[Text] "The press is free, and censorship is forbidden." So begins the government bill on the freedom of the press, due to replace the present press law which dates back to 1984.

The new draft law prohibits the prevention of the press from gathering materials, the suppression of criticism, and the prevention of the publication of articles "because of their programmatic line or content." What is more, state bodies must "support the programmatic and thematic variety of the press."

The new law places local government bodies and state institutions under an obligation to inform journalists of their activity.

The heads of these bodies and institutions must also "allow journalists to contact their employees and freely obtain information and opinions from them." Employees cannot be punished for providing a journalist with such information if they acted in keeping with the law.

When can information be refused? Whenever a state or official secret is involved, when "higher considerations"

require the withholding of information, or when information concerns the personal life of a citizens, possess commercial value, or its dissemination would consume "excessive resources."

A journalist who as been refused information may complain to the courts.

The new bill does away with people's right to authorize the publication of a statement made by them. Nevertheless, information on someone's personal life may only be published with that person's permission, unless the information is also connected with his professional activity. The bill upholds the ban on publishing the names and photographs of people against whom criminal proceedings are underway. What is new about the law, however, is that it permits the disclosure of names "if the person is generally known and his involvement with the issue at hand is obvious."

The new press law, released to journalists yesterday [13 June], defends a journalist's right to hold his own views. It also says who may or may not be a chief editor or publisher.

It allows a journalist to quit his job without notice if the paper acquires a new publisher or changes its political tone. However, it prohibits a journalist from pursuing "illicit commercial activity for material gains." A violation of this rule is considered a "serious violation of a journalist's basic duties."

According to the draft, the editorial staff may refuse to print an announcement or advertisement if the form or content thereof conflicts with the newspaper's programmatic line.

An editor in chief can only be someone fully capable of acting within the law. He must be a Polish citizen and be permanently resident in Poland. An editor in chief cannot be someone deprived of public rights, convicted of an offense against the basic political and economic interests of the Republic of Poland (unless ten years have elapsed since the crime), or possessing a record of at least three convictions for offenses under the press law. A person without Polish citizenship may become a publisher only with the Foreign Ministry's permission.

Apart from physical and legal persons, the new law allows companies with foreign capital to be publishers, provided that the foreign capital does not exceed 49 percent of company assets and that most of the members of the executive board are Polish citizens resident in Poland.

However, a publisher may not be a limited liability company with shares issued in the name of their bearers.

Out of fear of monopolists, the new law imposes the duty to report to the Antimonopolies Office any plans to merge newspapers. According to the law, a publisher holds a leading position on the market if the circulation of his daily or periodical exceeds 20 percent of the national market or 50 percent of the regional market, if he produces more than one radio or television program, or if he publishes a daily and simultaneously produces a radio or television program.

The draft law was prepared by a team of experts from the Government Press Office, and will shortly be discussed by the Council of Ministers Socio-Economic Committee.

Iliescu, Lebanese Ambassador Discuss Bosnia

AU2206200893 Bucharest ROMPRES in English 1732 GMT 22 Jun 93

[Text] Bucharest, ROMPRES, 22/6/1993—Emile Bedran, Lebanese ambassador in Bucharest, dean of the Arab Diplomatic Corps, gave a dinner party on June 22 for President Ion Iliescu of Romania. Apart from the peculiarities of Romania's relations with the Arab states, reference was made during the discussions on the occasion to Romania's process of transition, to the possibilities of big Arab investments in Romania. The situations in the Middle East and in Bosnia-Herzegovina were discussed. Referring to this latter item, the Arab ambassadors expressed their countries' hope that Romania should use all its influence, in line with its policy of peace and understanding with all states of the world, to the end of seeking out a fair and lasting solution that should put an end to the suffering of the Bosnian people.

Thai Foreign Minister Sunsiri Pays Visit

Meets With Iliescu, Vacaroiu

AU2206194893 Bucharest ROMPRES in English 1322 GMT 22 Jun 93

[Text] Bucharest ROMPRES, 22/6/1993—"We analyzed the bilateral relations between our countries," said Foreign Minister of Thailand Prasong Sunsiri after his interview with Romania's President Ion Iliescu at the Cotroceni Palace on June 22. The Thai foreign minister said he had informed President Iliescu with respect to the situation in Cambodia and then asked Romanian president for details with respect to the situation in Yugoslavia. The Thai chief diplomat expressed his hope that the visit would boost the relations between Romania and Thailand.

The same day, Thailand's foreign minister was received at the Victoria Palace by Romanian Prime Minister Nicolae Vacaroiu. The parties approached issues concerning the economic relations between the two countries which have complementary economies. They discussed also the necessity that the legal framework be extended in order to stimulate the Thai-Romanian relations and relevant bilateral agreements be convened.

Meets With Melescanu

BK2206143993 Bangkok Voice of Free Asia in Thai 1030 GMT 22 Jun 93

[Text] According to a report from the Foreign Ministry, Foreign Minister Squadron Leader Prasong Sunsiri and his delegation left Warsaw, Poland on 20 June for Bucharest, Romania.

Upon its arrival at the airport of Bucharest, the Thai delegation was greeted by the Romanian deputy foreign minister on behalf of his government. On 21 June, the Thai foreign minister held an official consultation with Romanian Foreign Minister Teodor Viorel Melescanu. They exchanged views extensively on bilateral and regional issues. On bilateral issues, the two ministers shared a view that bilateral relations had been greatly strengthened. This year marks the 20th anniversary of diplomatic relations between the two countries. The two ministers agreed to explore ways to expand contacts and cooperation. They agreed that agreements already signed, such as those on investment protection and double taxation, should be followed up in order to enable businessmen from both countries to pursue their businesses effectively. They also agreed to promote cultural, scientific, technological, agricultural, tourist, and banking cooperation, as well as encourage people-to-people contacts.

On the same occasion, Romania indicated to Thailand that it wished to invite the Thai prime minister for an official visit to Romania. Romania also proposed more exchanges of visits at all levels. It extended an invitation to the Thai delegation to attend the meeting of the Sixth Thai-Romanian Joint Trade Commission in Bucharest.

On regional issues, the two countries exchanged briefings on the situation in their respective regions. Thailand summed up to Romania the situation in Cambodia, Burma, and East Asia. Romania reported to Thailand about the situation in Yugoslavia, the Russian Federation, Central Europe, and East Europe.

On the same day, the Thai foreign minister paid a courtesy call on the president of the Romanian parliament. He was accorded a very warm welcome. The foreign minister said he felt such a great honor to visit the Romanian parliament as he is a member of parliament himself. He agreed with the president of the Romanian parliament that representatives of both countries should play a bigger role in achieving bilateral good relations and better understanding. The president of the Romanian House of Representatives also conveyed his best regards to the speaker of Thailand's House of Representatives, Marut Bunnak, who is scheduled to lead a Thai parliamentary delegation to visit Bucharest in August this year. He said he would like to visit Thailand if he has a chance.

The foreign minister is scheduled to return to Thailand tomorrow at 1230 ending the visit to Romania. He will arrive by a Thai International Flight TG 693.

Iliescu Receives Australia's Foreign Minister

AU2206181593 Bucharest ROMPRES in English 1623 GMT 22 Jun 93

[Text] Bucharest ROMPRES, 22/6/1993—Romania's President Ion Iliescu received Gareth Evans, Australia's foreign minister, now on a visit in Bucharest, on June 22. They discussed the development of the economic links between the two countries. "Romania," the Australian guest said, "is Australia's main partner in Eastern Europe." Saying the Australian party would like to resume exports to Romania (it used to be Romania's main steam coal supplier a few years ago) and actually

penetrate the Romanian market considered as very good, Evans added that Australia intended to participate in updating Constanta Port and expand cooperation in oil drilling.

The interview was attended by Teodor Melescanu, Romanian foreign minister.

Minister Calls For Halt to Tiraspol Trial

AU2206123893 Bucharest Radio Romania Network in Romanian 1000 GMT 22 Jun 93

[Text] Regarding the Tiraspol mock trial, we have received a statement on behalf of Romanian magistrates, which reaffirms the Romanian public's concern for the fate of five citizens of the Republic of Moldova. This concern is justified by the violation of legal and procedural provisions, the brutal assault on the personal and national dignity of the defendants, and the inquisition-like treatment they received during legal investigations.

The operation on the territory of an independent, sovereign republic of bodies that do not accept the state authorities' jurisdiction, whose own authority is not legally established, and which pass judgment on the basis of artificial and tendentious principles on actions that are defined in the penal code in an abusive way and are punishable with the most severe dispositions is regarded as intolerable from an ethical and legal point of view.

After emphasizing that the purported trial shows the intentions of the authorities in the self-styled Dniester republic, which are to conceal its political nature with a common law trial, the statement says that what has happened and what is happening in the Tiraspol trial constitutes not only an insolent violation of inalienable human rights, but is a dangerous precedent that could attract political reprisals that could endanger regional stability and peace in the area, which is sorely afflicted by European tension as it is.

In conclusion, the statement, which is signed by the minister of justice, Mr. Petre Ninosu, and the general prosecutor, Mr. Vasile Manea Dragulin, calls on the United Nations, Council of Europe, CSCE, and nongovernment organizations for support in helping to protect human rights. It calls on magistrates throughout the world to put a end to this mock trial and to save the lives of the patriots in the Tiraspol trial.

We have also received a communique from the Romanian Academy, which, after emphasizing the work this scientific authority has done to promote historical truth after 1940, reads as follows, quote:

Regarding the so-called trial of some Romanians now under way in Tiraspol in the self-styled Dniester republic, under the protection of the 14th Russian Army, the Romanian Academy, which has among its members notable domestic and foreign judicial figures, urgently calls for this trial to be held in civilized conditions in accordance with the law and without human beings being humiliated. It issues this appeal on behalf of the general public, which is indignant at the humiliating and inhuman conditions to which the defendants have been subjected for the simple reason that they are Romanians.

In conclusion, the Romanian Academy calls on all the world's academies of science and culture to endorse this appeal in the name of truth and justice, so that the tragic farce in Tiraspol can be halted.

The communique is signed by Academician Mihai Draganescu, president of the Romanian Academy, and by the Bureau of the Romanian Academy Presidium.

Foreign Businessmen Urged To Invest in Country

AU2206181193 Bucharest ROMPRES in English 1607 GMT 22 Jun 93

[Text] Bucharest ROMPRES, 22/6/1993—After seeing round computer electronics Romanian fair - CERF '93, Romanian Prime Minister Nicolae Vacaroiu met with businessmen and representatives of foreign companies who invested in Romania.

They discussed the current stage and prospects of foreign investments in Romania.

The prime minister outlined the amendments to the foreign investment law now being debated by the Parliament, including the elimination of ceilings on capital transfer abroad, land lease, and right of land ownership for foreign investors.

The prime minister said his recent talks with foreign guests pointed to a growing interest in investing in Romania. This country, he said, avails of a fine geographic position, manpower at European level, and what we need and try to do now, is to keep stability in the country and improve the legislative framework so as to offer ever bigger guarantees and encourage foreign investors.

Foreign Media Bulletin: Balkan Crisis 23 June

WA2306173293

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Croats, Serbs pushing for Bosnian confederation at Geneva peace talks ... Bosnian President Izetbegovic denies that he has been replaced, says delegation to talks cannot negotiate without him ... Krajina Serb leader Hadzic boycotts peace talks with Croatian Government ... UN convoy reaches Gorazde ... Muslim forces report Croatian attacks in central Bosnia, Mostar.

POLITICAL

CROATS, SERBS PUSH FOR CONFEDERATION (Pale Radio, Zagreb TV): In an interview with Serbian Radio in Pale, Bosnian Serb leader Karadzic proposes Muslims be given "30 percent" of Bosnian territory to help form a Bosnian confederation of three ethnic states. Croatian Defense Council in Bosnia issues statement predicting confederation agreement "will be reached soon," accuses Bosnian President Izetbegovic of being a "self-proclaimed leader" who is "leading the Muslim people along the path of destruction." (LD2206181893, LD2206215693)

IZETBEGOVIC DENIES BEING REPLACED (AFP): Bosnian President Izetbegovic says he is still "in charge" of Presidency and that "decisions cannot be made" by the Presidency without him. Denying that the Bosnian delegation to the Geneva peace conference is attending the talks over his objection, Izetbegovic declared that it is empowered only to "listen" to proposals and "not to negotiate." (AU2206164193)

KRAJINA LEADER BOYCOTTS TALKS (TANJUG): Krajina Serb leader Hadzic announces he will not attend direct talks with Croatian officials in Geneva because of "the Croatian delegation's inadequate composition" but will nevertheless send a Krajina delegation. (LD2206133693)

HUMANITARIAN AID

UN AID CONVOY REACHES GORAZDE (AFP): A 10-truck UN aid convoy reached the Muslim enclave of Gorazde after being temporarily detained by Serbian forces. (AU2206162493)

MILITARY

MUSLIM FORCES REPORT ATTACKS (Sarajevo Radio): Muslim forces say that troops from the Republic of Croatia are attacking villages in central Bosnia and that continued Croatian attacks in Mostar are threatening to destroy the historic old bridge. (AU2206194193)

AFP Rounds Up Opening of Geneva Peace Talks

AU2306100593 Paris AFP in English 0941 GMT 23 Jun 93

[By Hugh Nevill]

[Text] Geneva, June 23 (AFP)—A lopsided conference on partitioning Bosnia-Herzegovina opened in Geneva Wednesday [23 June] with the country's leadership split wide open.

President Alija Izetbegovic and Vice President Ejup Ganic are both bocoytting the meeting.

As they returned to Sarajevo Tuesday to drum up support from the high command of the mainly Moslem army after a meeting in Zagreb, a seven-member delegation from Bosnia-Herzegovina's ethnically mixed collegial presidency arrived in Geneva, saying their mission was to listen, not negotiate.

The conference opened with bilateral talks with mediators Lord Owen and Thorvald Stoltenberg.

Owen, who represents the European Community, and Stoltenberg, who represents the United Nations, first met the Bosnians, and were going on to talk with Presidents Franjo Tudjman of Croatia and Slobodan Milosevic of Serbia.

The mediators will also hold talks with Radovan Karadzic, the leader of Bosnia's separatist Serbs, and Mate Boban, the leader of the separatist Croats.

With the European Community backing the new plan at a summit in Copenhagen, Owen has made it clear that he sees Izetbegovic as too intransigent, and Tudjman has pushed openly for his replacement by Fikret Abdic, a rich and pragmatic Moslem businessman who runs the northwestern Bihac pocket as a personal fief and has close ties with Croatians and with Bosnian Croats.

Other members of the collective presidency offered Abdic the top job during their meeting in Zagreb on Tuesday, but he said he had turned it down—as he did after elections in 1990 when he won more support than did Izetbegovic.

Abdic indicated Tuesday that Izetbegovic's refusal to come to Geneva meant in effect that he had been temporarily pushed aside.

But Abdic and most of the other members of the collective presidency have little influence in Sarajevo, which some of them seldom visit, and Army commander Rasim Delic came out clearly on Izetbegovic's side Tuesday evening.

The colonel told a Spanish television correspondent that the new plan, put forward last week by Tudjman and Milosevic, would lead to a bloodbath in a country already ravaged by 14 months of vicious three-way fighting which has left some 200,000 dead, many of them civilians, according to Bosnian government figures.

The presidency delegation here is headed by Franjo Boras, a 56-year-old Croat lawyer. Abdic, whose name begins with an "A," said Boras had been chosen to lead the delegation "because he was first on the list in alphabetical order."

Boras said the delegation was in Geneva "to listen, not to negotiate."

The new proposal buries the long-negotiated Vance-Owen plan, which would have divided Bosnia into 10 semi-autonomous provinces. The Tudjman-Milosevic plan would leave the Moslems, who make up 44 percent of the population, an area in the centre, including Sarajevo, plus Abdic's Bihac pocket.

Sources close to Owen say he is urging that the encircled eastern towns of Gorazde, Zepa and Srebrenica be maintained as Moslem enclaves in what would become the Serb region.

Karadzic told the Belgrade daily VERCENJE NOVOSTI in an interview published Tuesday that he had agreed with Boban at a secret meeting on Sunday to offer the Moslems more territory, allocating them 30 of Bosnia-Herzegovina's 108 communes, "in order to solve the Moslem question equitably."

He and Boban had also agreed on an exchange of civilian populations, he said.

On Wednesday, Karadzic's tone hardened.

"There will be no radical territorial concessions," he told the Bosnian Serb news agency SRNA.

The concessions envisaged centred only on the possibility of allowing some Moslem villages along the demarcation lines to join one of the two Moslem areas, Karadzic said.

The plan would give the Serbs, who make up some 31 percent of the population but have conquered 70 percent of Bosnia-Herzegovina, around 50 percent of the territory.

'Unified Support' of Vance-Owen

LD2206134993 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 22 Jun 93

[Text] The Bosnia-Herzegovina Presidency's session ended in Zagreb today. The session began yesterday in the Bosnian Embassy. This part of the session was presided over by Presidency President Alija Izetbegovic.

It was decided at the session that in accordance with the invitation of the cochairmen of the peace conference on the former Yugoslavia, some Presidency members will go to Geneva so they can hear the proposals put forward by Stoltenberg and Owen regarding the possibility of a peaceful solution to the war in Bosnia-Herzegovina. Bosnia-Herzegovina Presidency President Alija Izetbegovic and Presidency member Ejup Ganic will return to Sarajevo to attend to some pressing matters.

In Geneva the Presidency members will endorse the Presidency's unified support of the Vance-Owen peace plan. The Presidency has decided that an analysis of the political, economic, and military situation in the country should be prepared for its next session. This analysis should be finished by 30 June so the Presidency can review it at its session in Sarajevo in early July.

Boras To Lead Delegation

AU2206143593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 22 Jun 93

[Mufid Memija report from Zagreb]

[Excerpt] [passage omitted] Yesterday afternoon, while Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, was in Copenhagen presenting the military and political situation in Bosnia-Herzegovina to the E.C. troika, the other Presidency members gathered in Zagreb to discuss the invitation by the cochairmen Owen and Stoltenberg for another round of talks in Geneva. Franjo Boras was appointed chairmen, since he is the eldest. At approximately 2300 [2100 GMT], upon arriving from Copenhagen, the Presidency's president joined the talks. Since it had already been decided that the cochairmen's invitation would be accepted and that the delegation would go to Geneva, in the continuation of the discussion it was agreed that the Presidency's President Alija Izetbegovic and Presidency member Ejup Ganic would return to Sarajevo due to unavoidable business. We have found out that Mr. Victor Jakovic, U.S. ambassador to Bosnia-Herzegovina, would travel to Sarajevo with the Presidency's president. He is to present his credentials in the next few days.

It was decided at today's session that the remaining seven members, who are travelling to Geneva, should listen to the new proposals by David Owen and Thorvald Stoltenberg on the possible peaceful solution to the Bosnia-Herzegovina problem, but their performances and any agreement are strictly determined by the mandate from the Vance-Owen plan.

In connection with the alternative proposal for a confederal Bosnia-Herzegovina—that is, its territorial organization along the ethnic lines—the Presidency's president persisted in the view that the Bosnia-Herzegovina Assembly, Government, and all the political parties would have to present their views on it first.

Two more interesting decisions were made at the session: to prepare by the end of June an analysis of the political, economic, and military situation in the country, and to hold a session in Sarajevo at the beginning of July of the complete Bosnia-Herzegovina Presidency.

This is Mefid Memija reporting from Zagreb for Radio Television Bosnia-Herzegovina.

Izetbegovic 'De Facto President'

AU2206141193 Paris AFP in English 1358 GMT 22 Jun 93

[Text] Geneva, June 22 (AFP)—Internal divisions over the future ethnic make-up of Bosnia-Herzegovina provoked an acrimonious split in the Bosnian collective presidency as a majority shorn of Moslem President Alija Izetbegovic landed in Geneva Tuesday afternoon for key peace talks on the issue.

On arrival in Geneva Franjo Boras, leader of the peace delegation of the mixed Serb, Croat and Slav Moslem presidency, played down suggestions that Izetbegovic had effectively lost power after other delegates had apparently sought to undermine the president's position.

Boras told AFP that Izetbegovic was still de facto president in Bosnia.

"I will only be presiding here today and tomorrow," Boras said, contradicting earlier assurances from presidency hardliner Fikret Abdic—a businessman with close ties to the Croats and seen as the architect of moves against Izetbegovic—that Boras had taken over as president for a month.

Boras stressed the delegation did not have a mandate to negotiate on new peace proposals.

It comprised just seven members of the 10-member presidency following a presidency meeting Tuesday in Zagreb which reliable sources there said was particularly acrimonious, with a lot of yelling and direct attacks on Izetbegovic.

Prime Minister Mile Akhmadzic earlier said the members in Geneva could act for Bosnia since "six of us is enough to bring a decision and there are seven."

He said that in Geneva the seven would be "acting there as the complete presidency," adding that Izetbegovic had not been replaced "because we have not elected another" president.

The key summit on a Serb-Croat plan to partition Bosnia into three ethnic states of Serbs, Croats and Slav Moslems gets under way on Wednesday.

It is being brokered by international mediators Lord Owen and Thorvald Stoltenberg and will also be attended by Croatian President Franjo Tudjman and Serbian President Slobodan Milosevic, the latter arriving here Tuesday morning.

Izetbegovic, who rejected the Serb-Croat plan last week, insisting that Bosnia remain unified as a multi-ethnic state, was meanwhile due to return from Zagreb to Sarajevo, Abdic said.

Boras was chosen to lead the delegation since he was supposed to succeed Izetbegovic in the Bosnian presidency but this was postponed due to the war.

In peace-time the Bosnian presidency has seven members, two Croats, two Moslems, two Serbs and one independent. It is expanded in war-time to include the prime minister, the army chief and the parliamentary speaker.

The internal Bosnian power struggle comes at a critical time when the Bosnian army is all but defeated against nationalist Serbs who have seized 70 percent of the former Yugoslav republic.

Abdic said: "No possibility is excluded in Geneva, which does not mean that I will accept everything."

"I will insist that the (past, present and future) presidents of the E.C.—Britain, Denmark and Belgium—be present for talks which will recapitulate everything that has already been done and to talk of the possibilities of creating corridors to have peace in Bosnia-Herzegovina."

Serbs seek a northern corridor linking Serb-held land in Croatia with Serbia to the east of Bosnia, while Moslems are in besieged areas not linked to each other such as Bihac in the northwest and eastern enclaves Gorazde, Zepa, Tuzla and Srebrenica.

Vice President Ejup Ganic, also absent from the Geneva talks, confirmed that once Lord Owen presented ideas on the future of talks, the delegation would return to Sarajevo and have wider political consultations over the future of the country.

He said Izetbegovic would be receiving in Sarajevo Wednesday the new U.S. ambassador to Sarajevo, Viktor Jakovic.

Izetbegovic Says 'in Charge'

AU2206164193 Paris AFP in English 1624 GMT 22 Jun 93

[Text] Zagreb, June 22 (AFP)—Bosnian President Alija Izetbegovic said Tuesday that he remained in charge of the Republic's collective Presidency and had approved a mission to Geneva peace talks by seven of its 10 members.

"They are not going to Geneva against me and I have their agreement to return to Sarajevo to receive Wednesday the letters of accreditation of the new U.S. ambassador," Izetbegovic told reporters.

"I am not isolated," he added, responding to speculation on his status following a split in the Bosnian Presidency at meetings here about new peace proposals in Geneva.

Izetbegovic said the seven Presidency members had left for Geneva Tuesday to hear out the proposals of international negotiators Lord Owen and Thorvald Stoltenberg for dividing Bosnia into ethnic cantons.

The plan, similar to a Serb-Croat proposal, was first advanced by the European Community 15 months ago, and is being dusted off for new discussions in Geneva.

"The delegation will only listen," Izetbegovic said. "Some members of the Presidency think if it is still possible to apply the Vance-Owen plan," for creating 10 semi-autonomous provinces but keeping Bosnia a sovereign whole.

"We made an agreement. They went only to hear and not to negotiate," he said.

Izetbegovic said he doubted if the Vance-Owen plan was still viable.

He said he still had a power base in Sarajevo, mainly by controlling the army, and that he had a majority within the Presidency for his control over 100,000-strong force.

"Without me, decisions can not be made," Izetbegovic said.

Four of the presidency members who led here what was perceived as a mini-revolt against Izetbegovic—Moslem Fikret Abdic and three Croatian members—have not been in Sarajevo for months and have little influence with the mainly Moslem army fighting Serb nationalists who have seized 70 percent of the former Yugoslav republic.

Envoy Denies Izetbegovic Suspended

AU2306081293 Cologne Deutschlandfunk Network in German 0551 GMT 23 Jun 93

[Telephone interview with Indir Ramovic, Bosnian charge d'affaires in Bonn, by Stefan Robine—live]

[Text] [Robine] The EC will send soldiers and money to Bosnia, but no weapons—this, in short, is the outcome of the Copenhagen summit regarding the war in the Balkans. On the telephone we now have Indir Ramovic, charge d'affaires of the Embassy of Bosnia-Herzegovina in Bonn. Good morning.

[Ramovic] Good morning.

[Robine] Mr. Ramovic, how do you assess this outcome of Copenhagen?

[Ramovic] This EC summit has brought one thing to the surface quite clearly, namely that we—and I say this to the citizens of civilized Europe—need the Americans in Europe just now. Obviously, Europe is not able to master the crisis on its own. A greater power is needed to save Europe from a greater war.

[Robine] In the final document of Copenhagen the EC came out in favor of Bosnia's independence, sovereignty, and territorial integrity. How significant do you consider this to be?

[Ramovic] It is a very clear signal to the Belgrade government. However, one must also ask how it is intended to implement this. After all, as long as EC mediator Lord David Owen heads the negotiations in Geneva, hardly anything will change. He continues to insist on dividing Bosnia-Herzegovina into three parts

and, I repeat, as long as he heads the negotiations in Geneva, there will not be peace in the heart of Europe.

[Robine] Have I understood you correctly that you said the Europeans cannot manage on their own, that the Americans should help them? What are your hopes in this connection, what do you expect?

[Ramovic] Europe does not have any instruments to master this crisis. This has been proved right from the beginning. They got lost in the fog. President Clinton is under pressure from the public. He also promised several things that he later retracted. However, there are now signs and clear signals from Washington that they are ready to take the initiative again—an initiative that comes directly from Washington—in cooperation with the allies or even to engage in some solo action.

[Robine] Chancellor Kohl reportedly was on his own in calling for the arms embargo to be lifted, with support from Washington. Would you still have expected anything from that after such a long time?

[Ramovic] Chancellor Kohl is one of the few politicians who say clearly what they believe is correct. He knows very well that this arms embargo, which has been imposed on the former Yugoslavia, only harms Bosnia-Herzegovina. And when I say Bosnia-Herzegovina, I mean the Bosnian Muslims, Serbs, and Croats, because we have to distinguish between the Greater Serbs and the Serbs, just as one had to distinguish between the Germans and the Nazis. So long as one does not distinguish between those two, the problem of finding peace in Europe will not be solved.

Without weapons the Bosnians have great difficulty in defending themselves against Europe's (?second) strongest army. There is no doubt that in the future the military academies will study and analyse how the civilian population managed to defend themselves for 15 months. The arms embargo must be lifted, because otherwise there is the danger that a people will be eradicated, wiped out before the eyes of the world.

[Robine] Who is your boss at the moment, Izetbegovic or Mr. Abdic?

[Ramovic] Excuse me, there is only one Presidency and one president of the Presidency, and this is still Izetbegovic. Why should Mr. Abdic be my boss?

[Robine] That was my question. After all, Izetbegovic has been temporarily suspended from this Presidency, and it is said that on the fringe of the EC summit he did not find enough people to listen to his urgent request to lift the arms embargo against Bosnia. Do you see this as one of the reasons for his temporary suspension?

[Ramovic] I must object to this categorically. I do not know whether you have read the minutes of yesterday's Presidency meeting in Zagreb, but President Izetbegovic has not been suspended and has not been ousted, either. No one spoke of that at yesterday's Presidency meeting. Mr. Izetbegovic continues to be the president of the Presidency of Bosnia-Herzegovina. He did not go to Geneva because he had to return to Sarajevo. Mr. Boras was appointed head of the delegation, and some journalists interpreted this fact incorrectly.

However, this is not the first time that the news agencies have presented reports from Bosnia-Herzegovina incorrectly. It was exactly the same two days ago, when it was claimed that Izetbegovic threatened to use chemical weapons. First, the president never said that and, second, the Bosnian Army does not use chemical weapons.

[Robine] It is a fact that in Geneva today the division of Bosnia into three parts is being negotiated with the participation of a Muslim delegation, but without Izetbegovic. How do you interpret this?

[Ramovic] I must contradict you once again. There will not be any negotiations in Geneva at all. One will listen to the new proposals by EC mediator Lord Owen, but there will not be any negotiations.

[Robine] What do you expect from these talks? What will be the issue for the Muslims in Geneva, in your view?

[Ramovic] The issue is not the Muslims. I also think that the usual presentation of Muslims, Croats, and Serbs is incorrect. One speaks of a civil war in Bosnia-Herzegovina, of three hostile sides. However, this does not correspond to the facts. Bosnia-Herzegovina is an internationally recognized state, a member of the United Nations, and Bosnia-Herzegovina is constituted of Muslims, Croats, and Serbs. These three groups are together defending the country against the aggressors.

[Robine] What then is the issue in Geneva?

[Ramovic] I do not believe that David Owen will suggest anything else than the division of the country into three parts once again, which has already been clearly rejected in Copenhagen and which we will not accept.

Abdic on Presidency

LD2206144093 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 22 Jun 93

[Report on interview with Fikret Abdic, member of the Bosnia-Herzegovina Presidency, by unidentified reporter on 22 June; place not given; Abdic remarks recorded throughout]

[Text] [Reporter] What was discussed at the Bosnia-Herzegovina Presidency meeting, journalists asked Mr. Abdic.

[Abdic] Nothing happened. Did you expect something to happen? Attention was focused on replacing the president of Presidency, but this was not discussed at all. We are going to Geneva at Lord Owen's invitation to hear what he has to propose. Our position is still the same, we accept the Vance-Owen plan but we want to hear new ideas and proposals. We will hear the proposals and,

depending on the situation there, a decision will be made as to what to do next. In no case shall we make any decisions without wider consultations in the state of Bosnia-Herzegovina.

[Reporter] Regarding the division of Bosnia-Herzegovina into three parts Fikret Abdic says:

[Abdic] We do not know what the division of Bosnia means. We simply do not know anything about the ideas. What is going to happen? Is it a modification of the Vance-Owen plan, along the line of the previous talks? We have not received anything in writing about it. We will see it in Geneva and anything we say now would prejudge the solutions which will be discussed in Geneva and afterwards.

[Reporter] Who is going to Geneva?

[Abdic] All Presidency members except Alija Izetbegovic and Ejup Ganic.

[Reporter] How will the Bosnia-Herzegovina Presidency work?

[Abdic] We agreed to work according to the Presidency protocol, which means that a different member is to chair the meetings every month. It was my turn this time. I did not accept it because of the speculation that I want to take over the Presidency. I did not even agree to replace the president in his absence. Since Franjo Boras is the first after me alphabetically, he will chair the meeting. In each situation, when a need arises for me to get politically involved as a Presidency member, rumors immediately begin that I want to be president of the Presidency. To eliminate any speculation with my name and about whether I or Izetbegovic should be president, I did not accept the duty of replacing the president as I should have done alphabetically, according to the protocol.

[Reporter] As a member of the Bosnia-Herzegovina Presidency, I work as an individual and I am open to all ideas leading to peace, Fikret Abdic said.

[Abdic] I do not know what questions I will face at the meeting with Lord Owen. I will not necessarily accept all proposals. Everything must be discussed, maximum willingness must be shown to do as much as possible to contribute toward peace.

Some Members Reject Partition

AU2306092593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 23 Jun 93

[Text] Bosnia-Herzegovina Presidency members Tatjana Ljuic-Mijatovic and Mirko Pejanovic, and Assembly Chairman Miro Lazovic, issued a statement in Sarajevo on the decision by our country's Presidency to accept the invitation by Lord Owen to the talks in Geneva. The statement says:

At the session on 21 and 22 June in Zagreb, the Bosnia-Herzegovina Presidency decided to accept the invitation by Lord Owen for consultative talks in Geneva. We conditioned our acceptance of the invitation with the demand that the complete Presidency confirms the Bosnia-Herzegovina Assembly's support for the Vance-Owen plan, which, through various political machinations both domestic and external, is being used to diminish Bosnia-Herzegovina. [sentence as heard]

We also demand that the Bosnia-Herzegovina Presidency put forward a proposal to the Security Council to adopt the Vance-Owen plan as its own document. The entire Presidency remains united in the view that the Vance-Owen plan is still the acceptable solution to end the war in Bosnia-Herzegovina, and to establish a lasting peace. The Presidency has decided to put that view forward to Lord Owen, and that no decision will be made on any new initiatives or proposals until the legitimate state and political institutions of Bosnia-Herzegovina have stated their position regarding them. The Presidency decided at the same session that President Izetbegovic should leave for Sarajevo because of pressing matters.

We will not accept any ideas or decisions on the alleged impossibility of coexistence of the peoples of Bosnia-Herzegovina, and we reject any possibility of partitioning Bosnia-Herzegovina along ethnic lines. We remain consistent with the political commitment to a unified and sovereign Bosnia-Herzegovina, a state of equal peoples and all its citizens.

After the Geneva talks we will return to Sarajevo for the scheduled session of the Presidency.

This is said in the statement by Presidency members Tatjana Ljuic-Mijatovic and Mirko Pejanovic, and Assembly Chairman Miro Lazovic.

Karadzic on Talks

LD2206181893 Pale Radio-Televizija Republike Srpske Studio-S Radio in Serbo-Croatian 1300 GMT 22 Jun 93

[Text] The talks in Geneva on resolving the crisis in former Bosnia-Herzegovina are expected to continue tomorrow. The Serb republic's delegation at the talks will be made up of Radovan Karadzic, Nikola Koljevic and Momcilo Krajisnik. Prior to his departure, the president of the Serb republic said, among other things:

[Begin recording] [Unidentified correspondent] Mr. President, you are just about to leave for Geneva. What will your proposals be regarding the resolution of the crisis in former Bosnia-Herzegovina and the ending of the war?

[Karadzic] I believe that the war should end immediately. It has been over between us and the Croats for more than three months, and operations had ceased even before the signing of the cease-fire agreement, which only goes to show that the Serbs and Croats have a conciliatory stand. We met recently, and I think that we can wind up the war between the Serbs and Croats in former Bosnia- Herzegovina. It is the Muslims' turn now. They

bear all responsibility, just as they were responsible for turning their backs on the Lisbon document and for starting a war against the Serbs, and later on, against the Croats.

Our proposal will be to end the war immediately and to start work on a definitive arrangement aimed at ensuring a just, fair demarcation between the Serbs, Croats and Muslims, and the creation of three states that can later either become independent or enter some kind of confederal association.

[Correspondent] Will the Serb side continue to make concessions concerning the division of former Bosnia-Herzegovina?

[Karadzic] We will not be able to make any major territorial concessions. What we can do, for example, is to allow all Muslim-populated villages and territories along the border or the front line that have now become part of Serb-controlled territory, to join their core territory. Likewise, we will demand that all that is Serb be joined to the home country, and I believe that both we and the Croats will have to do this in order to enable the Muslims to acquire an adequate and satisfactory territory to form their own state.

I must say that the Muslims now have a good chance of acquiring a state—after this they will lose this opportunity altogether. Now they can get the central part of Bosnia, which makes up about 30 percent of the territory of Bosnia, and it is the most valuable territory, comprising some 30 municipalities, including the Cazin Krajina. Before the war, this territory had a population of over 2.2 million people, of which there were only 1.9 million Muslims, meaning that they would get more than they had in former Bosnia- Herzegovina, because this is now clean—the Serbs have left these regions and will continue to do so. This is really high-quality territory. It is very developed, and boasts over 50 percent of Bosnia's natural resources.

Should they fail to accept this, they will be entirely responsible for the continuation of the war, and the Serbs and Croats will then have the absolute right to defeat them because they will have opted for the continuation of the war. I believe that the majority of the Muslim people, as well as the majority in the Muslim leadership, will opt for peace, and not war, and then they will get something they could not have imagined in their wildest dreams—their own state.

I believe that the EC will accept this, so the war could end in two-three weeks' time. However, I must warn our fighters that they should not take this for granted. They must be ready and on the alert as if the war will go on for years. We must not allow the enemy to achieve any military successes because he would then try to undermine the political negotiations. Political talks depend on the military failures of the Muslim side.

[Correspondent] It seems that the Muslim delegation's arrival is uncertain, which applies in particular to Muslim leader Alija Izetbegovic.

[Karadzic] Yes, this is another case where the responsibility of the Muslim side for undermining the talks is evident. The moment the negotiations do not suit them, they torpedo them in various ways. As I said before, they completely torpedoed the Lisbon agreement, and started the war. I think that the international community's patience for the Muslims has run thin. They have to become aware of this. Germany is only giving them verbal support, but Germany has already received a rap on the knuckles from the whole world, and the great powers have declared themselves against Germany's conduct in Yugoslavia, and I believe that, after this, the Muslims should turn to the Serbs and Croats—this is where they will find a solution. They will not find a solution abroad, nobody will come to defend them here and help them conquer the whole of Bosnia—which would be impossible anyway.

[Correspondent] Could you tell us what you really expect after this round of the Geneva talks?

[Karadzic] I expect us to make some progress in this process. It is not necessary for everything to be over on Wednesday, but a lot can be accomplished, meaning that we could get somewhere in this process, make a couple of steps forward which will enable us to arrive at a fair demarcation, the establishment of acceptable borders, the withdrawal of troops behind these borders, and the organizing of a state. We, Serbs, are in a good position here, we already have an organised state, it functions well—this is obvious to the whole world—there is no chaos, there is no anarchy. What angers our fighters sometimes is that profiteers show up at times, but we will put a stop to this and they will pay their dues. Everything else functions perfectly in our state—education, medical care, law, order, the judiciary. This has not been published, but our courts have solved 260,000 court cases over the past year. Trials await those who committed crimes against the Croats and the Muslims; we have arrested them and are keeping them in prison. Many of them committed crimes against the Serbs. The war enabled some criminals and robbers to surface and they will have to stand trial, in other words, the period behind us will be the easiest for us because we already have an organized state. [end recording]

UN Convoy Arrives in Gorazde With Food, Medicine

AU2206162493 Paris AFP in English 1608 GMT 22 Jun 93

[Text] Sarajevo, June 22 (AFP)—A U.N. aid convoy reached the Moslem enclave of Gorazde Tuesday [22 June], providing it with its first shipment of food and medicine since the city came under Serb attack nearly a month ago, the United Nations said.

The 10-truck convoy carrying 79 tonnes of aid arrived in the eastern Bosnian enclave at midday with a U.N. military escort, the U.N. Protection Force said.

It had left Belgrade Sunday [20 June] but was blocked Monday [21 June] in the Serb stronghold of Pale near Sarajevo.

The Serbs originally were refusing to let the military escort into Gorazde but eventually gave in, the U.N. force said.

Gorazde is one of six Moslem areas declared by the United Nations to be safe havens. It has been under heavy Serb attack since May 28.

Bosnian Army Threatens To Release Chemicals

LD2206144993 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 22 Jun 93

[Text] A new offensive is being prepared in the liberated areas in northeastern Bosnia by the chetniks and the Army of the Federal Republic of Yugoslavia. For their new offensive, the 19th, the aggressors have brought up fresh forces from Knin and from the Valjevo Corps.

During a news conference in Tuzla, Andjelko Makar, chief of staff of the 2d Corps of the Bosnia-Herzegovina Army, said the 2d Corps has prepared well for this offensive and that it has sufficient quantities of conventional weapons. However, in view of the fact that the chetniks want to reduce the size of the liberated territory, Makar said, the Bosnia-Herzegovina Army wil also use unconventional weapons, such as chlorine and other chemical weapons. They informed the UN Protection Force [UNPROFOR] of this yesterday. Replying to UNPROFOR's remark that it would be criminal to do so, the representatives of the Bosnia-Herzegovina Army asked another question: Is the fact that Serbian fascists are killing innocent people in Bosnia not a crime, but it is a crime to defend oneself? UNPROFOR was surprised at this response, Makar said.

Makar also revealed that the 2d Corps will carry out the order issued by the supreme command and by civilian authorities in Tuzla that, if necessary, chlorine will be used in the direction of Serbia. Makar said he will release mercury so that for the next 100 years, the waters of the Sava and Danube Rivers as far as the Iron Gate will be deprived of all flora and fauna, Andjelko Makar said.

Muslims Attacking Kresevo; UNPROFOR Involvement

LD2206191793 Zagreb HTV Television in Serbo-Croatian 1730 GMT 22 Jun 93

[Text] [Announcer] The situation in central Bosnia is very difficult again today, particularly in Kresevo and Novi Travnik. About 600 Croat refugees from the Kakanj area, escaping Muslim butchers, have found shelter in the Catici thermal power plant. They are refusing to leave the plant, where they are protected by the UN Protection Force [UNPROFOR]. We received the following report from Marija Topic in Vitez:

[Topic] Muslim forces have been constantly attacking Kresevo today. Five Croats were killed and eight wounded in central Bosnia today. Croat refugees from Kakanj are still awaiting aid in the streets of Vares.

[Announcer] We finally succeeded in contacting Tihomir Blaskic, commander of the Croatian Defense Council's central Bosnia operational zone, through radio amateurs. This is his assessment of the Izetbegovic army's further plans:

[begin Blaskic recording] They will certainly launch offensive operations on the Tarcin-Kresevo part of the front. We saw what they did to the Croats of Kakanj and what they are now doing to Croats in Kresevo. We also expect new offensives in the Lasva area, particularly in Nova Bila, Vitez and Busovaca. [end recording]

[Announcer] This was yet another normal war day in Mostar. Today it seems even more certain that UNPROFOR is providing Muslim forces in Herzegovina with arms and ammunition. During a routine check on UNPROFOR vehicles in Visepolje near Mostar, it was discovered that one of the armored personnel carriers was overloaded. UNPROFOR members said that according to regulations they did not have to open the vehicle for inspection. However, a 120-mm mortar and 40 shells were spotted in the carrier through the window. UNPROFOR members tried to justify this by explaining that these items were part of their combat equipment, but they were turned back to their base.

'Chetniks' Fire 'Incendiary Mortars' on Brcko

AU2306100693

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 23 June carries in its regular 15-minute newscast several reports on the fighting in the Republic.

Reporting from Zavidovici, Adnan Djonlic says that "the chetniks have intensified their attacks over the last 24 hours. The worst attacks took place last night in Hajdarevici, where the chetniks fired several dozen 60-mm, 82-mm, and 120-mm mortars on several occasions. The chetniks shelled Mahoje three times with 60-mm and 82-mm mortars. They continued their sporadic attacks this morning at Hajdarevici, firing about 40 shells from a recoilless gun."

The Second Corps Third Operative Group reports from Kladanj that "over the last 24 hours, the chetniks have been firing sporadically at our defense positions. They have used mortars, and antiaircraft guns and machine guns against the central positions in (?Oloske Luke). It is relatively quiet this morning, although there is some artillery activity."

In his report from Brcko, Hamiz Deronjic says that "the chetniks carried out the most serious breach of the

cease-fire yesterday in the late afternoon, when they fired about 15 60-mm and 82-mm incendiary mortars on Rijeke. This mortar attack, which was supported by a tank and Praga [antiaircraft weapon], caused great fires and damage to residential areas in Rijeke. The night was marked by the aggressor's sporadic small arms fire, and there is still some provocative fire this morning."

The Gradacac Information Center reports that "there is no change on this front. Chetnik small-arms provocations continued well into the night, joined by antiaircraft gun and machine gun fire. However, we can still say that the cease-fire is generally holding on the Gradacac front."

Describing the situation in Sarajevo, the studio announcer says that "it is relatively quiet with the enemy using small arms sporadically against Novi Grad and defensive positions in Stari Grad."

Croatian Tanks Enter Republic To Attack Muslim Towns

LD2206230893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2200 GMT 22 Jun 93

[Text] The Bosnia-Herzegovina Army Press Center has issued the following statement in connection with Croatian Defense Council activities in Herzegovina and central Bosnia aimed at attacking Konjic, Jablanica, Gornji Vakuf, and Bugojno:

On 21 June of this year, 568 members of the Croatian Guard set off from Solin and Split in the direction of Tomislavgrad and Livno. They are expected in Tomislavgrad and Livno today, and tomorrow they should be joined by 120 members of Croatian Army commando units and Croatian Defense Ministry military police. They were addressed by Brigadier Mate Lausic, commander of the Croatian Defense Ministry's military police, before departing for the Bosnia-Herzegovina battlefields.

Members of the special units of the Republic of Croatia Army are armed with bazookas, [words indistinct], large quantities of ammunition. They also possess tanks. Ten tanks have been sent in the direction of Gornji Vakuf—three T-84 tanks and seven T-55 tanks—accompanied by six armored personnel carriers. Croatian helicopters violated the no-fly zone yesterday and today. They take off mainly from Divulje, and 37 flights have been registered over the last two days.

The situation in western Herzegovina borders between neurosis and panic. A general mobilization is in force, and all men are being sent to the combat zones between Capljina and Konjic and toward Gornji Vakuf and Bugojno.

HVO Assails Izetbegovic, Expects Confederation

LD2206215693 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 22 Jun 93

[Text] The Herceg-Bosna Croat Defense Council information service has issued a statement in response to the latest session of the Bosnia-Herzegovina Presidency. The statement stresses that the session has demonstrated that Alija Izetbegovic is a self-proclaimed leader who is leading the Muslim people along the path of destruction. Members of the Bosnia-Herzegovina Presidency have eventually understood what we have known and been repeating over a long period. Unlike others, we were not surprised by the fact that Alija Izetbegovic lacks the support of the Presidency members. That is why Izetbegovic always avoided convening sessions of the state Presidency. When, however, this was done by Lord Owen and Mr. Stoltenberg, it became obvious that Izetbegovic is just a self-styled president.

We expect that an agreement on setting up three state units in Bosnia-Herzegovina as a confederation will be reached soon, that it will be final and accompanied by a lasting peace. We hope that, together with the international community and the cochairmen of the international conference on former Yugoslavia, we will succeed in reaching an agreement on mutual relations between the three nations within their state units. Those who have been advocating war have been identified and isolated now, the statement concludes.

HVO Continues To Shell Mostar

AU2206194193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 22 Jun 93

[Mostar Press Center report]

[Excerpts] The old bridge in Mostar [word indistinct] endangered. [Words indistinct] shelling by the Croatian Defense Council [HVO] has damaged the foundations of the bridge and, as a result, endangered this ancient construction, which is protected by UNESCO as a monument of the highest value. [passage omitted]

The HVO attacks are still continuing, despite the agreed cease-fire [words indistinct] of the old town. [Words indistinct], therefore, there is the danger that the bridge could collapse. We are appealing to the domestic and international public and to all others to persuade the HVO to stop the shelling so that [words indistinct] the commencement of urgent restoration work and start rescuing this ancient building [word indistinct] Mostar and one of the most valuable cultural and historical monuments in Bosnia-Herzegovina. Unfortunately, the [word indistinct] of the HVO does not rest. They have been shelling the positions of the fighters of the Bosnia-Herzegovina Army, as well as the civilian targets in the part of the town that is under the control of the Bosnia-Herzegovina Army today. This [words indistinct] 24 hours when according to the reports by the [word indistinct] hospital, five civilians have been injured in this

part of the town, of which one succumbed to the injuries inflicted by bomb splinters. The [word indistinct] of the HVO also shelled [words indistinct] in the southern part of the Mostar commune.

The members of the Fourth Corps of the Bosnia-Herzegovina Army responded with fire against the HVO positions, after which the HVO artillery fell silent. [passage omitted]

'Men Wearing HVO Insignia' Expel Prozor Muslims

AU2206124093

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 22 June carries in its regular 22-minute newscast three reports on the breaches of the cease-fire in the Republic.

In his report from Gorazde, Mustafa Kurtovic says that "the chetniks are firing provocatively in the Trebesko Brdo and (?Misevici) region. The humanitarian aid convoy has still not reached Gorazde, but the UNHCR representative has told us that it could arrive today."

Reporting from Konjic, Borka Rudic says that "this morning Croatian Defense Council [HVO] snipers are doing their dirty work. The Fifth Corps Information Service says that the HVO and the Serbian terrorists have continued their joint efforts to kill and destroy. From their positions in Bijela, the Chetniks have been firing at the defense lines on (?Polubijela) and (?Prnja)." She says that "the HVO has been using artillery in the valley of the Neretvica River."

Atif Agic reports from Gornji Vakuf that "barrages from small arms and sporadic explosions could be heard all through the night. A new group of expelled people arrived at 0400 this morning. They were Muslims from Prozor. Their stories are the same: Last night at about 2200, uniformed men wearing HVO insignia arrived at our door. They threw us out of our homes, packed us onto a truck, and drove us away. After half an hour they dropped us off near Gornji Vakuf." He says that "this morning is completely quiet. Talks started at 1000 between the Commands of the Bosnia-Herzegovina Army and the HVO on UNPROFOR's premises."

The studio announcer says that "Sarajevo is completely quiet today."

Third Corps, Bosnia HVO Agree on Normalization

AU2206165593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 22 Jun 93

[Text] A meeting of the representatives of the Third Corps of the Bosnia-Herzegovina Army and the Central Bosnia Operative Zone of the Croatian Defense Council [HVO] (?was held in Vitez) yesterday. The meeting was also attended by Stjepan Siber, (?deputy) commander of the General Staff of the Supreme Command, UN representatives, and EC observers. They discussed issues that would influence the abatement of conflict situations and prevent cease-fire violations in the coming period.

The representatives of the Bosnia-Herzegovina Army protested the treatment of detainees in the prisons controlled by the HVO. It was agreed that both commands do everything possible that each prisoner be treated in the spirit of international conventions. They especially insisted on civilians not being detained. In compliance with the agreements reached, a meeting of all political structures and both armies was held in Kraljeva Sutjeska yesterday. It was decided to set up civilian authorities in Kakanj, proportional to the 1991 census, and to form civilian police that will guarantee the return of the population. Both sides expressed readiness to allow free passage of convoys and [word indistinct] through the territories controlled by the Third Corps and the Central Bosnia Operative Group. The evacuation of injured HVO men to Split was assessed positively. The members of the Bosnia-Herzegovina Army [words indistinct] confiscated vehicles from Tuzla [word indistinct] and the engagement of the HVO police on these territories is obliged to [words indistinct] of the agreement signed.

It was agreed how to resolve the supply of water, food, electricity, and postal communications. In light of this agreement, four trucks with food arrived in the village of (?Kruscika) yesterday. The water was released to [word indistinct] and a joint expert commission has been formed to resolve the problems connected to the supply of electricity and the repair of postal lines necessary for the communication between the Third Corps and the Central Bosnia Operative Zone of the HVO.

Refugee Commissioner on Current Situation

LD2206174693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1404 GMT 22 Jun 93

[Excerpt] Belgrade, 22 June (TANJUG)—Some 50,000 refugees have returned to the Serb republic [in Bosnia-Herzegovina] and the republic of Serb Krajina over the past month, Serbia's Commissioner for Refugees Dobrica Vulovic told a news conference held today.

About 6,000 refugees have arrived in Serbia during the same period. They have come from Sarajevo, Tuzla, Zenica and from Istria in Croatia, he said. [passage omitted]

Croat Refugees Turned Back by Kiseljak Croats

LD2206162093 Belgrade TANJUG in English 1456 GMT 22 Jun 93

[Report by Mladen Krsmanovic]

[Text] Vares, June 22 (TANJUG)—Bosnian Croat authorities in Vares, central Bosnia-Herzegovina, are on the verge of desperation about what to do with 20,000

Croats who have flooded into the town fleeing before Moslem fanatics in Kakanj and Kraljeva Sutjeska.

Bosnian Moslems and Croats, erstwhile allies in the war against local Serbs, have been fighting pitched battles for territories with mixed populations ever since they signed the Vance-Owen peace plan several months ago.

Tens of thousands of Bosnian Croats have fled from their villages in central Bosnia before a Moslem onslought and most of them have found shelter in Bosnian Serb liberated territories.

The Croat-controlled town of Vares has no room for the 20,000 refugees from Kakanj. Food is running low at an alarming rate and the residents are murmuring that 'those from Kakanj are eating us out of house and home.'

On the other hand, a massive evacuation might destabilize the line of separation between Croats and Moslems, it is feared in Vares.

Croat refugees began leaving Vares on their own on June 20, hoping to reach Croatia through the territory of the Bosnian Serb republic.

Early on June 21, more than 7,000 men, women and children blocked the Brgule check point on the entry into the Bosnian Serb republic.

They presented a sorry scene, with the men laden with bundles, the women with babes in arms, cattle straggling before the desperate humans. All was noise, crying and commotion.

An old Croat from the village of Kraljeva Sutjeska in central Bosnia cursed Bosnian Moslems as "Turkish butchers."

Anto Marcic, 53, a Croat from the same village who was driving a few head of cattle before him, said: "I will give the cattle to the Serb army for their understanding."

"I will make it a present to our fellow Christian army here, so everyone can see and nobody can say they stole it," he said.

A group of women were complaining in tears to Bosnian Serb soldiers about the harassment they received from Kakanj Moslems. "Those Mojahedin, the Turks, stole everything away from us," they wept.

Meanwhile, 62 trucks of the Bosnian Serb army arrived to take the refugees to Croat-controlled Kiseljak near Sarajevo.

Ivica Rajic, the Croat commander in Kiseljak, appeared on the scene and in no uncertain terms ordered the refugees not to leave their "ethnic territories," and to return to Vares because "nobody needs them in Croatia."

The stunned mass tried to explain they had nothing to go back to.

"We have reached an agreement with Bosnian Serb authorities that a certain number of refugees be transferred to Kiseljak," Rajic told TANJUG.

"The agreement covered a much smaller number of people than those present here now, and since we cannot resolve the problem of all of them in one day, I have decided to send them all back to Vares and contact international organizations in their behalf," he explained.

Many of these unfortunates meekly boarded the trucks and buses which would take them back to Vares. Those of more spirit decided to chance it and disappeared in the woods on Serb territory heading for God knows where.

UNHCR Predicts 200,000 Displaced in Coming Months

AU2206132893 Paris AFP in English 1312 GMT 22 Jun 93

[Text] Geneva, June 22 (AFP)—At least 200,000 Bosnians will be displaced from their homes in the next six months regardless of whether a plan to partition Bosnia into three ethnic states goes into effect, a United Nations High Commissioner for Refugees (UNHCR) spokeswoman said here Tuesday.

Sylvana Foa, of the UNHCR, said some 2.4 million people have already been displaced in the 15-month war in Bosnia-Herzegovina.

"Given the level of fighting and the hate," the UNHCR does not expect an end to the displacement of people, especially Moslems and Croats, said Foa.

She said although the UNHCR is opposed to the so-called ethnic cleansing campaign being carried out by the Serbs against Bosnia's Moslem population, the organization may be indirectly contributing to that campaign by transporting some of the refugees to safer areas in Bosnia.

"When people are terrified, are forced out of their homes, they need assistance and we are going to have to help and move those people as much as it goes against our principle," she said.

"If there was respect for the right of people to stay in their homes, the whole thing could end tomorrow."

Croats, Serbs Cooperate in Bosnia-Herzegovina

93BA1137D Belgrade POLITIKA in Serbo-Croatian 8 Jun 93 p 14

[Article by R. Kovacevic: "After Report of Possible Bosnian Outcome: Croats Cannot Survive in Bihac Region"]

[Text] *The Croats, militarily exhausted, need a military victory at least against the Muslims, so that they are seeking an end to hostilities with the Serb republic [of Bosnia-Herzegovina]; if Croatia attacks the RSK [republic of Serbian Krajina], the Serb republic will defend its brothers.*

Drvar, 7 Jun—The report that Brig. Gen. Vlado Santic, the Croat military commander of Bihac, has offered to surrender weapons to the Serb side, has not elicited surprise around Krajina. The Croats, of which there are not many in the Bihac region, only several thousand, cannot survive amid the Muslim multitude that is literally threatening to exterminate them.... Moreover, a sack of flour in Bihac currently costs 250 German marks, under the condition that it is bought as far as 50 km away in Kladusa....

The Croat exodus from the Bihac region is become increasingly certain with each passing day, but the situation is similar in Zepce, Bugojno, and a few other regions that have no chance of avoiding the threat of ethnic cleansing. The former allies have become fierce enemies. The Croats are increasingly asking for help from Serbs, with whom they are establishing more proper relations, at least in the former Bosnia-Herzegovina, thereby letting them know that they are no longer interested in war, at least in these regions. At one of the meetings between representatives of the two sides, on an official level, the following idea was heard: "You have encircled the territory of your Serb republic; allow us to do the same thing with Herzeg-Bosnia!" This was followed by an offer of a reciprocal halt to the armed conflict, because except in Trebinje, Orasje, and several other areas they do not have conflicting interests. This was followed by obliging agreement with this idea on the part of the Serbs.

Of course, this offer is being carefully analyzed because of the necessary caution toward the war adversary who in the past has quite often blatantly violated cease-fire agreements. The Croats are military exhausted, and they need a military victory at least against the Muslims, at any price. According to some sources of information, which for now are unofficial but nevertheless reliable, they are ready to enter into a separate agreement to end the fighting in order to ensure this, which would be signed by Dr. Radovan Karadzic and Mate Boban. Thus, for the Croats at least this involves speculation with a psychological victory.

Before that can be achieved, it is necessary to clear up a huge number of problems that are generating military conflict every day. Most of all, all prisons and camps must be emptied and all captured soldiers and civilians must be exchanged, living and dead. This task, which is perhaps the most delicate part, should be completed in a month, according to some estimates.

However, the Croats have already been informed that no agreement will be at the expense of the republic of Serbian Krajina. There is no small number of experts who believe that Croatia, immediately after ending its duel with the Muslims, will redirect its troops toward the incomparably more difficult (and for it more important) front in Northern Dalmatia and Lika.

"This game is very transparent, and as in the past we will immediately rush to the aid of that part of the Serb nation," says one of the prominent leaders of the Second Krajina Corps, adding that this is one of the Serb republic's solid commitments.

To get back to the beginning, Gen. Vlado Santic (who, incidentally, did not serve time in the military and was an accountant in civilian life) is becoming the new Croat military landmark. The man who soiled his hands in crimes against Serbs in Livno and Duvno (Tomislavgrad) will pass through Serb lands in peacetime, but only because he will lead a column of 4,000 Croats from the Bihac region who have behaved properly toward Serbs during the course of this war.

[Box, p 14]

Serb-Croat Negotiations in Celebic: Serbs Demand Release of 267 Prisoners from Rascani

The Croats are demanding the return of their 70 dead soldiers who were killed a year ago in Kupres.

Kupres, 7 Jun—For the 20th time, negotiating teams from the Serb republic and Herzeg-Bosnia have met in Celebic, a Serb town below Mt. Dinara. The "anniversary" was marked by resolving 20 points on the agenda with a significant degree of efficiency.

In this way, the Croats formulated their most serious demand. They request the bodies of their 70 dead soldiers who perished a year ago in the battle for Kupres. It is easy to assume that these are men from Rijeka, Split, and Vukovar whom the JNA [Yugoslav People's Army] routed on this plateau, thus inflicting on them a very serious defeat.

The Serb side is demanding the release of 267 of its countrymen from the Tomislavgrad region. The minority in Croat towns, without any inducement whatsoever, has long been living in camps in the town of Rascani. There are fences and guards around them. Humanitarian aid arrives there very rarely. Although their life has been a little better since the fighting broke out between Croats and Muslims, their houses have been burned down and their property plundered....

The Croats promise that they will do what they can. But the Serbs say, "Find us little Skrbic (a fighter with the Second Krajina Corps, very beloved), and we will give you whomever you want...."

The exchange is under way. Soldier for soldier, civilian for civilian. Never an entire group for another.

When the talks reach a dead end, EC observers step in, with mediation and even translation (!) services.

In Celebic, in the community center building, a Serb officer says that he expects nothing from the Croats other than living with them in neighborly peace. There has been enough war.

RSK-Croatia Negotiations Begin; Talks Assessed

LD2206172993 Belgrade TANJUG in English 1619 GMT 22 Jun 93

[Text] Geneva, June 22 (TANJUG)—Co-chairmen of the international conference on former Yugoslavia Lord Owen and Thorvald Stoltenberg have favourably assessed the first-round direct negotiations of representatives of the Republic of Serb Krajina (RSK) and Croatia which opened in Geneva on Tuesday afternoon.

John Mills, spokesman for the two co-chairmen, said that Owen and Stoltenberg, after a brief break, resumed separate talks with the two delegations, while later this afternoon the two sides are understood to sit again at the same table.

Mills explained that the agenda for the talks today had not been strictly defined because the co-chairmen's intention was to encourage the climate of negotiations and set up a framework for the future Knin-Zagreb talks.

The first-round talks did not consider the implementation of U.N. resolution 802 about the withdrawal of Croatian army from RSK territories it occupied in its January 22 aggression. This question would be examined later, Mills said.

The RSK delegation is headed by Foreign Minister Slobodan Jarcevic and the Croatian delegation is led by Slavko Degoricija who is vice-chairman of the State Committee on the Normalization of Croatian-Serbian Relations and by Zvonko Lerotic, adviser to the Croatian president.

Hadzic Not Participating

LD2206181593 Belgrade TANJUG in English 1737 GMT 22 Jun 93

[Text] Geneva, June 22 (TANJUG)—The first precondition for normalising relations between the Republic of Serb Krajina (R.S.K.) and Croatia is to reach agreement on the implementation of resolution 802 of the U.N. Security Council, i.e., to establish a lasting ceasefire, R.S.K. President Goran Hadzic said on arrival in Geneva on Tuesday.

Hadzic said that talks on normalising political and economic relations would be made much easier if agreement were reached on the withdrawal of the invading Croatian troops from the territories in the U.N.-protected R.S.K. they occupied in an aggression of January 22.

A ceasefire agreement signed by the two delegations in Geneva on April 6 has some good points and might be used as the basis for the current talks on the application of resolution 802, said Hadzic.

He explained that he would not be attending direct talks on Tuesday because of "the Croatian delegation's inadequate composition."

He said the Tuesday round of talks, as the first direct meeting between the two delegations, was a small step in the right direction—towards peace.

The talks opened in Geneva's Palais des Nations on Tuesday, with the mediation of the co-chairmen of the Geneva-based conference on former Yugoslavia, Lord Owen and Thorvald Stoltenberg, and their aides Knut Wolleback and Geerd Ahrens.

Results of Krajina Referendum on Unification

LD2206155493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1502 GMT 22 Jun 93

[Excerpts] Knin, 22 Jun (TANJUG)—Out of 317,085 citizens registered in voting lists for the Krajina referendum on sovereignty of the republic of Serb Krajina [RSK] and its unification with the Serb republic [in Bosnia-Herzegovina], 301,592, or 95.11 percent, have voted.

A positive answer to the referendum question was given by 297,425 voters, or 98.61 percent.

These are the official referendum reports, presented to journalists by Boro Martinovic, a referendum commission member.

There were 2,341, or 0.77 percent, votes against the sovereignty and unification, while 1,826, 0.62 percent, ballot papers were invalid.

Out of the total number of registered voters in the republic of Serb Krajina 93.79 percent voted "for."

The lowest referendum result was 91.9 percent "for" in Beli Manastir, while 99.76 percent was recorded in the largest constituency of Knin. [passage omitted]

The verification of the Krajina referendum on the RSK sovereignty and its unification with the Serb republic will be done tomorrow at a ceremonial session of the Krajina parliament in Knin.

Krajina Assembly To Ratify Results

LD2306112793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1055 GMT 23 Jun 93

[Text] Knin, 23 Jun (TANJUG)—Krajina's parliament in Knin went into session today to ratify the results of the referendum on the sovereignty of the republic of Serbian Krajina and its unification with the Serbian republic [of Bosnia-Herzegovina]. The assembly is expected to set up a group tasked with outlining a constitution of the republic of Serbian Krajina and the Serbian republic. Its agenda also includes a law on budget and criteria for financing local councils and municipal assemblies. The session of the Krajina assembly is being attended by a delegation of the Serbian republic assembly headed by its deputy speaker Milovan Milanovic.

Draft Constitution To Reflect Results

LD2306115393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1106 GMT 23 Jun 93

[Text] Knin, 23 Jun (TANJUG)—Representatives of the republic of Serbian Krajina and the Serbian republic of Bosnia-Herzegovina today agreed to continue the process of unification on the basis of their people's will expressed in the referendums held in both republics.

We have agreed, Vice President of the Assembly of the Serbian republic Milovan Milanovic has told TANJUG, to prepare all legislative documentation for our joint state before the next session. This is, however, not possible to carry out within three days.

The constitutional, legislative, and other commissions should prepare a draft constitution within a reasonable period of time, but this period must not exceed one month, Milovanovic says.

Organs, commissions, and committees of the joint assembly will finalize this constitution and other legislation so the unification will also have this support on the basis of which the future joint and unified state will start functioning and operating, Milovanovic said.

Tudjman Speaks at Sisak Celebrations

LD2206213893 Zagreb HTV Television in Serbo-Croatian 1730 GMT 22 Jun 93

[Excerpts] There were threefold celebrations in Sisak today—the 400th anniversary of the battle of Sisak, the day of antifascist struggle, and the second anniversary of the 57th Croatian Army Brigade were marked. Croatian President Franjo Tudjman arrived late this evening. [passage omitted]

Croatian President Franjo Tudjman drew attention to the historical importance of the battle of Sisak. He also spoke about the breadth of the antifascist struggle of the Croatian nation, which is aimed at setting up a democratic Croatia. He then spoke about the current situation in the country.

[Begin Tudjman recording] There can be no talk about a return to some form of Yugoslavia, but we can talk about establishing normal neighborly relations with the states created on the soil of former Yugoslavia, like relations between other states created on the soil of other disintegrated states: the Czech Republic and Slovakia, or states created on the soil of the former Soviet Union, and so forth. This is in the interest of these nations, in the interest of Europe and the world.

We must draw the following conclusion both from the history and the current events: That Europe and the world have never been and will never be united—there are major independent states in the EC and there are main players in the United Nations, players which are more-or-less responsible—and that hence we must know what is in our interest, what is in the interest of our neighbors, and we must try to remove all causes of mutual hatred, fighting and wars, and we must try to create a system like the one in northern Europe, in Scandinavia.

I am convinced, dear friends, that dear God did not create Scandinavians as being different from us here, but they came to their senses long before us. The time is here for us on this soil also to come to our senses. [applause]

I have already said, dear friends, that Croatia's international position is secure, so do not allow yourselves to be misled by the faint hearted who are neither capable of judging the position of their own people and the international situation, nor have they learned anything about their own and world history. Especially not by those who know nothing but to listen to other, allegedly more intelligent and greater people, and these more intelligent and greater persons, including those who took part in the battles of 400, 500 years ago, are by no means more intelligent and greater as far as we are concerned. Therefore, we can rest assured that we have created Croatia, which is here; nobody will ever again bring it into question; only our own stupidity and lack of wisdom can bring it into question. But I believe in a people that knew how to achieve all this, I believe that they will know how to preserve their state and rebuild it.

The major European and world powers—the United States and China—are interested in relations with such an independent Croatia as I have described. It is certainly no coincidence that these faraway, great countries wish to maintain good relations with Croatia because of its geostrategic position, because of the reasonable policies it is conducting.

Clearly, we should be solving the problem of the UN protected areas, and it is out of the question that we continue to tolerate the fact that we have no connections with Dalmatia and northern Croatia through Knin. [applause] It is out of the question that a Cyprus-like situation can be prolonged.

As far as Bosnia-Herzegovina is concerned the war there should be ended. And it should be ended in a way which would remove possible causes of a war in the next few years or decades. A system should be created with which all three constituent nations would be satisfied.

There has never been an agreement between Zagreb and Belgrade, or between Milosevic and Tudjman. I did hold talks with both Milosevic and Izetbegovic, but I only held talks. Dear gentlemen, a solution must be found which will avoid that which has occurred [as heard]. They did not listen to me, and they had a war.

We recognized Bosnia-Herzegovina because it is of vital interest for the Croatian state that there is no government or a Bosnia- Herzegovina which would threaten not just Sisak and the rest of Croatia—as was the case 400 years ago—but southern Croatia, and Dalmatia from Split to Dubrovnik. We are thus interested in the survival of the Croatian nation there, and in the future of

Bosnia-Herzegovina. We have thus proposed publicly and in all talks with the most responsible European and world statesmen that the only possibility for Bosnia-Herzegovina to survive is to have a confederal community, that is, a state community of three constituent nations, because if this was the only way for former Yugoslavia to survive, then how else and on what other basis can Bosnia-Herzegovina survive, especially with a view to the war and evil there.

So, we have championed interests of all three nations, above all Croats, but also Muslims, and we knew that strategic reasons dictated both Croats and Muslims to cooperate fully in resisting the Serbian aggression. At the beginning, cooperation functioned well, and with our help, the Croatian people largely defended their territories. Then Muslims started preparing for a war, for which they were not ready. When Croatia was attacked and threatened, Muslim leaders said that this was not their war. Later, some said—and unfortunately that became true: We were not prepared for Serbs, but we were prepared for Croats.

This is a fatal, even suicidal feature to which we kept drawing and are still drawing attention. We recognized Bosnia-Herzegovina, we are in favor of its survival on the basis on which it can survive.

We have sheltered [changes thought]...through our lands, through Croatia, more than a half a million refugees passed. At one stage there were 400,000 refugees from Bosnia-Herzegovina. Even today, there are 272,000 refugees, mostly Muslims, in Croatia. The fact that they have turned their arms against the unarmed Croatian people, that they are pursuing a policy which threatens the survival of Croats in central Bosnia and elsewhere, this fact is difficult to comprehend, as well as the fact that they are wandering around Croatia as if it were their own homeland, and that at the same time—as happened two days ago—some of their leaders are making statements calling for the current democratic government of Croatia to be toppled. This is enough to make one ask oneself from which God of Allah they got these ideas. Can't they see where they are leading to? [long applause]

However, this world, that did not know what to do about Bosnia, that was not ready, that did not wish or did not know how to check Serb aggression, that then, as a justification for its incapability, its indecisiveness, tried to pass the responsibility on to Croatia, not only the Croats in Bosnia-Herzegovina, but Croatia as a whole—such a world, such a Europe and America have nevertheless realized how to find a political solution if they are refusing to intervene militarily in the Bosnia-Herzegovina crisis.

I believe that we have come closer to the end of the war. The policies conducted by Izetbegovic and his associates, geared toward prolonging the war for years to come, toward waging war, regardless of the casualties, destruction, and so forth—such policies cannot be Croatia's policies. We are in favor of checking Serb aggression, but also of ending the war, of finding a political solution that will be in the interest of the people living in Bosnia-Herzegovina and in the interest of Croatia, so we can have peace on our borders, and devote ourselves to reconstruction in peace. I believe that such policies, despite all misunderstandings, will nevertheless prevail, that they will receive the support of the EC, the United States and the United Nations. This will then provide an opportunity for us to devote ourselves to reconstruction in peace. [end recording] [passage omitted]

Bill on Terms of Employment Elicits Disputes

AU2306065293 Zagreb VECERNJI LIST in Serbo-Croatian 16 Jun 93 p 20

[Unattributed report: "Employers Are Given Free Hands"]

[Text] It is now six months since the Bill on Terms of Employment was discussed for the first time. According to Parliamentary Statutes, after six months the bill must be discussed for the second time, so recently the Ministry of Labor made the final version of it public. Just like all the versions previously proposed, this final one was unanimously rejected by all the trade unions. Therefore it is unclear if the bill in its final shape will be discussed at the next meeting of parliament, or if the proposer will ask for a postponement.

The general attitude is that the bill gives more freedom to employers, who will more easily be able to employ new staff and dismiss them as well. Employment may cease on the expiration of the contract between employee and employer, at 65 years of age, or by agreement or dismissal. The employer may terminate a contract only if a certain position is permanently abolished, if he cannot fulfill his obligations, or if an employee violates terms specified in the contract. Termination may be extraordinary, if one or the other side has justifiable reasons for it, or if circumstance exist that make the continuation of the contract impossible.

What circumstance or justifiable reasons meant are not explained any further. Still, the proposer adds that a lawsuit or complaint against the employer for an alleged violation of the law, regulations, collective contract, or statute cannot be regarded as a justifiable reason for dismissal.

In the case of a regular termination, the period of notice may be from two weeks to five months. The employer is obliged to implement a program of maintenance of surplus of workers only if he intends to dismiss more than 10 percent of his workforce in six months.

Particular attention was paid to arrangements between employers and employees and collective bargaining, but the part of the bill that regulates collective rights has been most criticized by trade unions. Six months after the bill, or rather the act, comes into force, all the collective contracts signed by that time will be abrogated. In the meantime, the new associations of

employers should make new collective contracts, but the Croatian Chamber of Commerce will not be entitled to represent employers any more, or to make collective contracts on their behalf. The trade unions emphasize that collective bargaining is thereby completely eliminated, because there is no possibility for the employers to establish their own associations in such a short period. The chairman of the strongest trade union supposes that such associations will not come about for five years. It is interesting, though, that collective contracts will apply to all employees, regardless of whether they are members of a trade union, while for employers the contracts will apply only to those who enter into such a contract.

It is quite probable that a mess will ensue, because the bill only superficially deals with certain rights of employees, while it is collective contracts that are supposed to specify details. If the trade unions do not find some other entities that are not particularly motivated to enter the employers associations, it may happen that in six months, for instance, workers remain without allowances for hot meals or public transport, back pay, or other rights guaranteed by collective contracts. Besides, as the trade unions see it, it is not only about the abolition of the national collective contract, it is also about the fact that negotiations being carried out on lower levels, that is to say on the level of different branches, activities, and subsidiary firms, thereby crushing the main force of trade unions—massive participation. To put it simply, such a tendency might create many conflicts on those lower levels, while well-organized trade unions will be deprived of work.

Trade union shop stewards working in firms will most probably also remain unemployed, because, as is proposed, they will be deprived of any immunity, while their activities during office hours will be prohibited. To put it more precisely, trade union activities during office hours will be allowed only if the employer consents to it. Besides, the employer is not obliged to provide working conditions for a trade union, but only for newly introduced representative bodies of employees. They should be established in all firms with more than 20 employees, and are supposed to have primarily an advisory role. They will also carry out activities concerning the rights of individual workers, which is now the business of shop stewards. Furthermore, those who decide to perform certain trade union functions professionally will not be given any guarantee they will retain their old jobs.

The trade union FOR public utilities believes that the trade unions will turn bureaucratic without such guarantees, because the number of candidates ready to perform those activities professionally will face. Those who persevere will waste much of their energy on the struggle to preserve their own positions, because nobody will guarantee their old jobs.

Apart from the trade unions, which have carefully followed any of the six versions of the Bill on Terms of Employment and regularly reject its provisions, nobody else found it necessary to react to them. The Croatian Chamber of Commerce and any of the employers associations still keep silent about their attitude to the bill.

[Box, p 20]

"Strike Against the Bill"

"Collective contracts contain proposals that are unacceptable not only for trade unions, but also to the Croatian state, if it wants to build a political, economic, and social structure based on the fundamental principles of the Croatian Constitution," Dragutin Lesar, chairman of the strongest Croatian trade union, says. "The abolition of collective contracts would bring about total anarchy on the labor market, and in the field of economic relations. The consequences of that anarchy might be severe social upheaval, while, if such a bill were passed, we would be ready and forced to use any method of trade union struggle and industrial action, regardless of the consequences."

Federal

Kontic Receives Bulgarian Parliamentary Delegation

LD2206190493 Belgrade TANJUG in English 1657 GMT 22 Jun 93

[Text] Belgrade, June 22 (TANJUG)—Yugoslav Prime Minister Radoje Kontic, receiving a Bulgarian parliamentary delegation on Tuesday, said that unjust economic sanctions would have negative effects on Yugoslavia's overall development in the long term.

The Bulgarian delegation, headed by Socialist Party member Zahary Zaharyev, is paying a several-day visit to Belgrade.

The talk brought to light the hope that a speedy solution to the Bosnian crisis would create conditions for lifting the sanctions and reincorporating Yugoslavia in the international community, in which the neighbours should play a special part, said a statement released after the talk.

The U.N. Security Council clamped comprehensive sanctions on Yugoslavia (Serbia/Montenegro) on May 30, 1992, for its alleged involvement in the civil war in the neighbouring breakaway Yugoslav Republic of Bosnia-Herzegovina.

Kontic and his guests described bilateral relations as favourable and showed a wish for a comprehensive promotion of cooperation when the necessary conditions had been created.

The delegation was on Tuesday received also by Serbian Vice- Premier Zoran Arandjelovic and Deputy Speaker of the Serbian parliament Ljubisa Petkovic. The two countries must open dialogue at all levels, especially between parliaments, in order to promote mutual and inter-Balkan relations, it was heard during the talk.

The Bulgarian parliamentarians said Bulgaria would remain neutral vis-a-vis the developments in Yugslavia, but would work for lifting the sanctions which were hitting the Yugoslav neighbours hard.

On Monday, the delegation was received separately by the speakers of the two chambers of the Yugoslav parliament—Radoman Bozovic and Milos Radulovic—and by the head of the Yugoslav parliamentary delegation, Borisav Jovic.

Army Colonel Discusses Morale, Nationality

AU2306081693 Belgrade NEDELJNA BORBA in Serbo-Croatian 12-13 Jun p 4

[Interview with Colonel Petar Skrbic from the Yugoslav Army Information and Morale Division, by Borislav Solesa; place and date not given: "A High Price of Experiments"]

[Text] Colonel Petar Skrbic, the head of the Second Division of the Information and Morale Department of the Yugoslav Army General Staff, is one of the most analytical officers in the Army leadership. As an active officer in the Air Force and a graduate in political science, he is well acquainted with dramatic changes in the Army and in society.

[Solesa] The drama of the Yugoslav Army seems to be coming to a head?!

[Skrbic] It is really an exceptionally problematic situation because the Yugoslav Army is not participating in the war, but it is still in a state of emergency. Most of the casualties we have had so far were caused either by traffic accidents or careless handling of weapons.

[Solesa] You were for the first time confronted with the problem of killing among soldiers in the Yugoslav People's Army when the soldier Keljmeni killed four of his colleagues wearing the same uniform....

[Skrbic] Yes, this was a kind of dramatic turning point. Before that incident and before the recent events in Vranje and Sabac we had had such dramatic situations. We thought that the event of Paracin would not be repeated, but then the tragedy of Vranje came. The soldier Jozef Menader had tended to act strangely even before, and the soldiers were surprised by his behavior, but nobody believed that he could kill anybody. It was believed that this situation had been caused by a nervous breakdown, but the event in Sabac pointed to a possible new dimension that must not be neglected.

[Solesa] There was a subject called moral and political education, which was taught in the Yugoslav People's Army for a very long time. This is not a part of the curriculum any longer. What do you do now to influence the spirit of soldiers?

[Skrbic] The criterion and the program of the morale education has been completely changed. There is no ideological content any longer. There are six topics that soldiers discuss in the afternoon, but they are not graded. The soldiers learn about the Yugoslav Army, its organization and the relations within it, combat morale and behavior. We think that these are elementary notions, which every soldier and officer should be acquainted with. There is not a single political dimension in the assessment of Army members' morale. The only controversial criterion that remains is the relationship with the homeland, but there is patriotism in every army, so we must have it, too.

[Solesa] How can a relationship with the homeland be established if its name is debatable, if its anthem is hissed at (as was recently the case at the swearing in of new soldiers in Belgrade), and if its flag is torn up?

[Skrbic] You have to influence the motivation in soldiers, and in search of practical solutions to this problem we have tried to find an answer through state institutions, but the answers we received were not justified.

That is why we rely on the Constitution of the Federal Republic of Yugoslavia. Apart from that, we have broadened the concept of homeland, so that we do not understand it only as a political system, but as the place where we were born and where our homes and families are.

[Solesa] The Yugoslav Army should in the future accept only healthy soldiers with no nationalist feelings. How do you think this should be organized? I do not mean only Hungarians, Kosovar Albanians, and Muslims.

[Skrbic] It is a long process, but this process should begin with a vision of the Army, regardless of whether it is a people's or a professional army. If it is a people's army, this problem will have to be solved by the state, not by the Army. If we want a standing or professional army, it will be very easy to solve this problem. If we want a people's army, it is clear that all nationalities have to be represented in it. I have no particular preference for either of these two forms, but I would like to say that no experiments are allowed here.

[Solesa] It seems that the Army should solve problems that the state and society cannot solve, and these are obviously very sensitive matters.

[Skrbic] I think that a state must resolve many important strategic problems so as to place its army in a state of combat readiness corresponding to its needs. There are many problems that our state should have solved but did not. There is no law for the Army, nor even on the defense of the country....

[Solesa] Can soldiers of the Yugoslav Army count on the protection of the state irrespective of their nationality?

[Skrbic] This is a multidimensional problem. An appointed commission should define who may join the Army and who may not. We have to bear in mind that these people carry arms. This psychological dimension has always been present. Nonetheless, there have always been psychopaths in the Army who caused tragedies, as was the case in Vranje and Sabac. I do not want to say that the problems in Vranje and Sabac were a psychological one, because it is still not known what the causes were. The investigation has not been completed yet.

[Solesa] Why do young Albanians and Muslims often refuse to join the Army? The situation with Hungarians is somewhat different. Can it be expected, since there are such indications, that Serbs and Montenegrins are also rejecting the Army, and that an "anti-minority" atmosphere is developing? [sentence as published]

[Skrbic] There is almost no response to the call-up by the Albanians, and that of the Muslims is very weak. In contrast with them, the Hungarians do respond, but their response is also weaker than the average. The percentage of Serbs and Montenegrins who respond to the call up for military service has also become lower than it used to be, but it cannot be compared to that of the Hungarians, let alone the Albanians and Muslims. The response of the Hungarians is the best among the larger national minorities, but we shall see how the latest events will influence the whole process. I feel unpleasant when I have to mention political parties, but I have to say that the Democratic Alliance of Vojvodina Hungarians has based its political program on political disobedience, on the refusal to serve in the Army. Public opinion among the Hungarians, though, is not the same as in this political party. It is well known that there were Hungarian volunteers who fought in Lika [in Croatia].

History, Future of Serb-Croat Agreements

AU2306100893 Belgrade POLITIKA in Serbo-Croatian 22 Jun 93 p 5

[Commentary by Branislav Radivojsa: "Is the Tide Turning?"]

[Text] The Serbs and Croats in Bosnia stopped fighting when the Muslim-Croat alliance ended, and when these two nations opened hostilities. As a result of this new situation at the front, the Serbs became the Croats' protectors, thereby introducing completely different tones into the relations between the two largest peoples in former Yugoslavia.

One of several events that are an illustration of these changes is, for example, the letter of a journalist from the Banja Luka-based GLAS SRPSKI [Serbian Voice] publication to the president of Herceg-Bosna, Mate Boban, reminding him that the Serbs have helped thousands of Croats in Vlasic and elsewhere, so that this Croat leader should now use his influence to free two journalists from the Serbian Channel S, who have long been forgotten.

Is is not known what Boban will do in this particular case, but the principle is clear: One gesture of goodwill presumes another from the other side, and all this together opens up the possibility of different relations between the two nations. It could be that the opening up of a Croat-Muslim and the closing of the Croat-Serb front in Bosnia could mark the first change in relations between Zagreb and Belgrade.

A Gesture of Goodwill

There were earlier attempts at normalization. The former Yugoslav Prime Minister Milan Panic insisted particularly on this. In July last year, while he was still only a candidate for prime minister, he spoke to Franjo Tudjman in Helsinki for the first time. In Budapest in early August, he agreed an exchange of prisoners of war on the principle of "everyone for everyone" with former Croat prime minister Greguric. In the middle of the same month this exchange took place, but because of this "gesture of goodwill," Panic was accused of being a "national traitor" because he had "let murderers and criminals go."

Prior to the London Conference on Yugoslavia, [former FRY] President Dobrica Cosic suggested the formation of a mixed committee for interstate relations. The brisk

Panic announced the reopening of the Belgrade-Zagreb highway in mid-September, but this attempt was thwarted the following month near Okucani. Journalists from Belgrade and Zagreb did not meet because their way was blocked by Krajina policemen.

Caution Cannot Hurt

Representatives of the two churches also took an interest in the question of normalization. In September, [Serbian Orthodox] Patriarch Pavle and [Catholic] Cardinal Kuharic met in Geneva. Later that month, also in Geneva, Cosic and Tudjman tried to solve the Prevlaka problem. This was followed by the first meeting of the Federal Republic of Yugoslavia's and the Republic of Croatia's interstate committee, which took place in Zagreb at the beginning of October. Then Cosic and Tudjman held fresh talks on establishing relations. Characteristic of this is a newspaper headline from those times: "Cosic Favors a Small Step, Tudjman a Big One." Cosic favored the establishment of traffic, border and other communications, followed by talks on political relations, while Tudjman favored the recognition of the Republic of Croatia and the establishment of diplomatic relations, with the proviso that Yugoslavia accept Croatia together with the Krajina, which was of course, unacceptable to Belgrade.

Parallel to these negotiations, there were several bilateral (without Muslims) contacts between Serbs and Croats in Bosnia. According to some sources, Radovan Karadzic and Mate Boban secretly met in Graz, Austria, as early as May last year, where, right at the beginning of the war, they "agreed on an unlimited permanent truce." Following this, in August they agreed in Brussels to a new cease-fire. Last November in [Bosanski] Brod, an agreement was signed between the Republic of Croatia and the republic of Serbian Krajina on the cessation of hostilities in Posavina, which was followed by Miro Lasic's statement in January, in front of the Herceg-Bosna army, that "the war with the Serbs in Bosnia is over."

All these statements on agreements were soon annulled on the ground, so caution should be exercised in the case of this latest Serb-Croat truce in the former Yugoslav republic. Nevertheless, it is obvious that this current truce is supported by the Croat and Serbian side in Bosnia, and by the Republic of Croatia and the Federal Republic of Yugoslavia's agreement that the former Bosnia-Herzegovina can only function as a confederation of Serbs, Croats, and Muslims. The Croat-Muslim hostilities have, therefore, influenced Croatia's political progression towards the well-known Serbian belief that Bosnia cannot be a unitary state.

Analysts say that the significance of this progression is great. It means that, at least in the case of these two nations, there is now a basis for negotiating, which in turn means that the war can stop. And if the war in Bosnia stops, the peoples in former Yugoslavia will have an easier job of dealing with other problems. After a long period, this is again a realistic possibility. Whether this possibility will emerge will be evident tomorrow, when talks between Milosevic, Tudjman, and possibly Izetbegovic resume in Geneva.

Ugljanin Loses Support in Sandzak

93BA1096B Belgrade POLITIKA in Serbo-Croatian 1 Jun 93 p 6

[Article by S. Bakracevic: "Ugljanin's Fiasco"]

[Text] Novi Pazar, 31 May—Things are really difficult for Sulejman Ugljanin, leader of the Sandzak SDA [Democratic Action Party]: In the party, the situation is difficult and there are disagreements, and international factors are paying him less and less attention. And "at home" in Novi Pazar, the MUP [Ministry of Internal Affairs] is arresting his supporters, disarming them, discovering caches of explosives, ammunition, weapons, uniforms, and drugs. Ugljanin's entire "army" is probably "blown" and who knows what the MUP knows and whose turn is coming to be arrested.

Ugljanin opts for the move of a desperate man. On Saturday, he announces a rally in Novi Pazar, presumably to recover his old glamor as a leader. But a quite modest number of supporters responded—barely 1,000. Ugljanin arrived, walked back and forth nervously around the speaker's platform, at one point even got in his car, and those present began to whisper that perhaps the leader was going to leave, angry that he had to speak to such a small number of people. Nevertheless, he stayed. And the first thing he said when he had already begun to speak was that the journalists from Radio Novi Pazar and the correspondents from Belgrade media should be sent away. Because they supposedly were to blame for his not having access to the media. His security personnel set about executing Ugljanin's order.

Afterward, Ugljanin resumed his "democratic" speech. He "explained" that those terrorists who have been arrested are not to blame, because they "acquired weapons to defend their houses and families." They, Ugljanin said, should not recognize the courts of this country, but international courts.

Afterward, for the 100th time he appealed to Muslims not to report to the "largest paramilitary formation"—the Army of Yugoslavia. He also appealed to Muslim judges not to do their job, because "they do not have the right to judge their own people for two or three salaries." And again he announced that his Muslim National Council would be accusing Cosic, Milosevic, Seselj, Bulatovic....

That meeting was also attended by three members of the CSCE for Sandzak. The Dane, Jesper Boyser, said that Saturday's meeting was peaceful and a regular political occurrence, that it is good that there were no incidents at all "except that the journalists experienced certain unpleasantness."

"This is not a step within the limits of democratic views. When he asks for access to the news media, he cannot send the journalists away, because they are there to report the events to those who are not there," Boyser said.

We reminded Mr. Boyser of what he had heard from Ugljanin, that the Muslims should not go to the army, and we asked how that would be treated in his country?

"Under the law of my country, all males have to serve in the army, and when they reject that, then they will be convicted under the law," Boyser said.

Ugljanin is now calling upon his fellow countrymen not to go to the army. But just a year ago he was threatening the army and giving it deadlines for leaving Sandzak. He was also threatening the police, telling the chief of police here that his policemen would be swimming down the Raska. To be sure, at the rallies of that time Ugljanin was heard by several tens of thousands of supporters. With an audience of 1,000, he could raise his voice only against the journalists.

Role of Paramilitary Forces Examined

93BA1106F Belgrade VREME in Serbo-Croatian 24 May 93 pp 21-22

[Article by Filip Svarm: "Blood and Tears"]

[Text] "We captured several Serbs with the insignia of the White Eagles," one of the commanders of the HOS [Croatian Defense Force] in B-H [Bosnia and Herzegovina] bragged in early May 1992, "and we really thought they could fly. Strange, although we released them to fly from the sixth floor, every one of them splattered on the ground."

This statement illustrates the deeply ingrained mindset of the paramilitary formations as a group of uncompromising fighters for their own nationality who do not stop at anything. They say of themselves that they are always where it is most difficult, that they have carried out the key operations in the war—Captain Dragan in Krajina in 1991, Mile "Hawk" Dedakovic and the HOS-ites in Vukovar, Arkan and the Tigers in northern Bosnia, Blaz Kraljevic in western Herzegovina, Juka Prazina in Sarajevo.... Everything is permitted them—from looting to the most cruel war crimes—except competition with the current authorities of the states for which they wage war. If they violate this one taboo, they are riddled with bullets at a checkpoint like Blaz Kraljevic, they die under suspicious circumstances like Djordje "Giska" Bozovic, or they travel the road from national hero to prison inmate—Mile Dedakovic.

Tough Lads

"I am a HOS-ite because I want to stay alive," explained a blond 18-year-old in Osijek in 1991, "no one forced us to join the army, we are volunteers. I know I will not be left behind if I am wounded. I know that I will not get a bullet in the back.... That is the most important thing." In activating his Tigers in Krajina after the conflicts were resumed there this year, Zeljko "Arkan" Raznjatovic has been saying similar things about the relations that prevail among his fighters. A high degree of solidarity in those formations, achieved voluntarily, can almost be considered the rule. It is also the rule that they are verbally ready to make sacrifices and are preoccupied with great goals; that is, radicalism. The parent military fighters believe that the regular armies are soft and their officers incompetent. They accuse the reservists of treason and desertion, while they perceive themselves as elite soldiers, tough lads ready to go to the end. They say that they are fighting exclusively because of their beliefs, that they are on the ramparts of their nation although they did not have to be, that only they know what is actually involved on the basis of their own blood and that of others that has been shed. Of course, the "paramilitary volunteers" are also bitter—all kinds of "heroes" beneath the mountain made by the covers over their head are taking advantage of the fruits of their pain. That is why they think they have rights which those who are not with them do not have. "If after everything—Gospic, Lipik, and Vukovar—I do not have the right to live it up, then I do not have need for a state either," is a statement that comes from a "volunteer/free-lance artist," who in western Slavonia "liberated" an entire tractor-trailer of freezers, washing machines, and other appliances. He was not interested in whether the liberated articles came from Serbian or Croatian houses—he merely coolly noticed that he did not know before how rich this region was.

Promotion

Certainly, the lines above say more about how the parent military soldiers perceive themselves than what they are really like. Their first wartime promotion in Croatia in 1991 says much more about them. If we assume at the outset that the JNA [Yugoslav People's Army] was at that time the only legal armed force even if it belonged to a state that was dying, we can easily establish, viewed from that angle, that the war in Croatia was begun and for a time waged by the paramilitary formations themselves. On the Serbian side, there were the policemen of Mile Martic (camouflage uniforms, automatic weapons, official vehicles), and then the volunteer bands of "territorial guards" put together on an ad hoc basis (woolen olive drab uniforms, semiautomatic weapons, buses) and reinforcements from Serbia in the form of the White Eagles, the Serbian Chetnik Movement, and so on. The Croatian side was armed by activists of the HDZ [Croatian Democratic Union] (often in civilian clothes), the active personnel and reserves of the MUP [Ministry of Internal Affairs] and ZNG [National Guard Corps] (the infinite variety of uniforms and countless different kinds of rifles), and the HOS (they certainly seem to prefer black uniforms above all others). Both had a great many "free-lancers" in fanciful dress.

The war took place approximately like this for all of them. One of the smaller Serbian units—volunteer and

paramilitary—would usually set up an ambush for some patrol of the MUP or would fire mortars at some Croatian village where there was a police station. Then those attacked would get a reinforcement in the form of uniformed and armed people called "Croatian special forces." Then there would be an exchange of fire without limits until the tanks of the JNA would appear and create a "buffer zone." In such cases, the Croatian side almost regularly withdrew, and a scene similar to the one described would occur a few days later and a few kilometers further on. The actions were mainly carried out by both sides—to their mutual good fortune—in a sloppy fashion, to say the least. Self-styled local commanders sprang up like mushrooms after a rain and did not recognize one another. Thus, Capt. Dragan, having arrived in Knin, was forced to declare that he had come "to introduce a little order," and he was only able to do that by organizing an effective volunteer unit of his own. His actions—first at Ljubovo (withdrawal through the "buffer zone" of the JNA, the firing of some 20 mortar rounds on the prison building where the MUP personnel were accommodated, and withdrawal to security behind the tanks), and then in Glina (again the same trick with the "buffer zone" in the Glina park, approach to the police station and its capture) crowned him with the fame of an "authentic" military genius.

The Twilight Zone

The "regular" armies of the Serbs and Croats in Bosnia and Herzegovina and also their paramilitary formations were ready when the war began. There was no heating up like the one in Croatia. The HOS served as an excellent bait for mobilization of Muslims in Croatian Herzegovina, because it recognized the General Staff of the Army of B-H in Sarajevo, and then, by a clever game, those same Muslims were placed under the command of the HVO [Croatian Defense Council] or disarmed. Also, the HOS-ites in Mostar had what they did not dare to even think of in Croatia: the private concentration camp Dretelj. The Serbian paramilitary formations had distinguished themselves from Bijeljina (massacre of the non-Serb population) and Brcko (blowing up a bridge on which there were some 30 people) to the kidnapping of Muslim citizens of the FRY [Federal Republic of Yugoslavia] in Sjeverin and Strpci. After a time, the Muslims also copied the other two constituent nationalities, the atomic shelter in Celebici under the command of Hasan Delic being one of the most terrible Bosnian camps. All in all, neither the politicians nor the soldiers of the belligerents, regardless of anything else, can do without paramilitary formations. Higher national interests are in question. The blood and the tears can flow.

KOS Reportedly Planned Cosic's Removal

93BA1110E Ljubljana DELO in Slovene 31 May 93 p 10

[Article by Kresimir Meler: "The KOS Prepared Cosic's Fall"]

[Text] *This April a group of officers secretly planned a military coup if Montenegro wanted to secede from the Federal Republic of Yugoslavia [FRY]; they were to overthrow Dobrica Cosic because of alleged treason and incompetence.*

From our associate.

Because of the Yugoslav Army's influence upon Serbian and Montenegrin politics, a conflict over oversight of the intelligence service has been going on for some time now. Nedeljko Boskovic, former head of Belgrade's KOS [military counterintelligence service], organized the removal of Blagoje Adzic and a number of other generals, and they surrounded him and his friends with a network of intelligence officers. In January 1993 in Trebinje, Boskovic proposed to Vojislav Seselj, Novak Kilibarda, and Branko Kostic that they overthrow the Montenegrin Government, which supposedly wanted to secede from Serbia, and that for that purpose they use the evidence put together by his KOS.

With the help of the Serbian Radical Party and the Serbian Renewal Movement, and with the support of the KOS or the parts of it controlled by Nedeljko Boskovic, he was to stage a return of soldiers from the front and a gathering of those who had been demobilized or had lost someone in the war. They were to start to gather in front of the headquarters of the Podgorica corps, where they would demand that Generals Pavle Strugar, Batric Jovanovic, and Branko Kostic speak. Since there would not be enough volunteers for that rally, it would be necessary to arrange for the transportation of members of the cooperating parties from Ivangrad, Bijelo Polje, Sjenica, and Niksic. General Panic's deputy Dr. Ljubomir Domazetovic was responsible for support and supplying material resources and transportation, and for that purpose he traveled several times by military helicopter or aircraft to Podgorica, Sjenica, Ivangrad, and Trebinje. According to the plans provided to us by a reliable source, about 200,000 people were supposed to gather in front of the Montenegrin Assembly. They were to express support by telegram for Branko Kostic and Batric Jovanovic, and at the same time demand the resignation or removal of Milo Djukanovic and Momir Bulatovic, and the arrest of Slavko Perovic and the opposition politicians who supported him. Furthermore, they arranged to wiretap Vuk Draskovic and several domestic and foreign reporters. Generals Pavle Strugar and Domazetovic, in cooperation with Mihajl Kertes and Radovan Pankovo, and federal Police Minister Djordje Blagojevic, prepared everything necessary for

unrest, and then intervention by special units from the Interior Ministry and the army with the explanation that that intervention was approved by Momir Bulatovic, Pavle Bulatovic, and General Zivota Panic.

The KOS's report does not end there. It also says that "General Domazetovic, with the knowledge and permission of General Boskovic and in cooperation with his relative Milorad Dragojevic, responsible for the defense industry in the Yugoslav Army's [VJ] Political Administration, organized a meeting in April 1993 of several active officers, which was also attended by Nedeljko Boskovic and Branko Kostic. The main topic, of which they did not inform the Security Administration, was the VJ's action plan in case Montenegro decided on secession from the FRY. According to that plan, Generals Strugar and Domazetovic would organize a military coup, and as soon as Montenegro's independence was declared, they would occupy radio-television, postal, telephone, and telegraph and other buildings and institutions of special significance, attack Interior Ministry units, and disarm or incapacitate any forces that would resist that intervention or support the separatist leadership. As it was planned, armored units and air force units would have to be at full combat readiness, and if necessary they would attack specific targets (radio-television, parliament, the government, the presidency, and other vital facilities). (...)

"Even more interesting is what Domazetovic, Boskovic, and their colleagues intended to do in Belgrade and elsewhere...." At the end of February, without the knowledge of the chief of the General Staff, General Boskovic visited the area of the Republic of Serbian Krajina in the company of Generals Sljivcanin and Obradovic, "in order to settle matters in the field. According to the information available to the KOS, this was between 7 and 28 February. During that time, in order to support Raznjatovic and Seselj, he illegally removed Defense Minister Stojan Spanovic and a whole series of others, and took care of having several civilians put out of the way in the field. He also prepared an operation that he named 'Visovi,' through which FRY President Dobrica Cosic was to be removed for incompetence and alleged treason. He asked Vojislav Seselj for help in this. He or the present Serbian president, or someone from their circle, was to become the temporary president."

Of course, neither Cosic nor Panic could remain calm about such a report, especially since it said that "they should resign their positions to someone who is more honest and has a clean conscience, and is also not responsible for the destruction of the Serbian city of Vukovar. It was proposed that it be General Sljivcanin, Obradovic, or Domazetovic, while Milorad Dragojevic would become defense minister." Domazetovic and Boskovic were removed, but only formally. Just as when they took over from Vasiljevic, they have now also brought into their offices a lot of loyal "paratroopers" from the 38th (Nis) Regiment, who are preventing their actual removal. Furthermore, the part of the documentation containing the information on them has been blocked, along with the part containing the information on KOS's involvement when "the people happened." As it has turned out these days, Boskovic and his companions took care of having that documentation taken out of the Federal Secretariat for Internal Affairs building. Sljivcanin is somewhere in the field.... The story is obviously not over yet....

Milosevic-Gligorov Talks Examined

93BA1110H Ljubljana DELO in Slovene 3 Jun 93 p 9

[Article by Branko Jokic: "Milosevic's Threats to Gligorov"]

[Text] People in Macedonia are wondering what Milosevic and Gligorov talked about during their unexpected meeting, and how the former threatened the latter; he was to intervene in the dispute between Skopje and Athens.

From our correspondent.

Skopje, 2 June—A while ago Kiro Gligorov rejected an invitation to come to Belgrade to talk about the division of the JLA [Yugoslav People's Army] legacy, because he was afraid, as he stated, that he would be kidnapped.

Slobodan Milosevic obviously does not recognize that fear, since he has already visited Gligorov three times since Macedonia's secession from the former Yugoslavia. They met in Skopje and at Ohrid. Neither the Macedonian public nor the broader public has been enthusiastic about so much heroism on Milosevic's part, and instead they are wondering, at most, what sort of concerns and what sort of intentions drove him to Ohrid, what he talked about, what he wanted, and what he threatened his host Kiro Gligorov with during their three-hour conversation.

Skopje observers do not have many facts about that meeting, and it is even more difficult to find out anything from President Gligorov's office, but nevertheless the prevailing belief is that the neighbors concentrated on three issues, that each one conceded a little, and that they left the door open for further consultation.

Milosevic allegedly highlighted the possibility that he could intervene in the dispute between Greece and Macedonia. As Mitsotakis's friend, he already knew in advance that the dispute would be aggravated again, which did actually happen a few days ago. Both Greece and Macedonia have rejected the Vance-Owen proposal. The former is demanding a change in the name of the new Macedonian state, which is supposed to be called New Macedonia, but people in Skopje are not willing to give up the present name, the Republic of Macedonia (Skopje). Furthermore, it seems to the Macedonians that the problem is considerably more complicated, although for the time being they are not talking about the details.

Perhaps Milosevic had already informed Athens in advance "what Gligorov might agree to," and agreed on a Mitsotakis-Gligorov meeting, although generally the prevailing opinion is that he was brought to Ohrid by his own concerns about "Macedonia's behavior." The frequent statements from Skopje that this Balkan state might soon join NATO (before the arrival of a new UNPROFOR [UN Protection Force] contingent) seriously upset Belgrade, which also views this as interference in Kosovo, through Macedonian territory.

Belgrade, which was already astonished when Macedonia, which "lay longest beneath the Turkish yoke," prepared such a welcome for the late Turkish President Ozal, now sees a direct threat and "interference" by Skopje in Serbian affairs in the mutual visits by high-level military representatives of Skopje, Tirane, Sofia, and Ankara, which it is already treating as an "anti-Serbian alliance."

Milosevic took advantage of some opposition to those steps, which can be observed in Skopje itself, and, as some military circles in Macedonia claim, proposed to Gligorov that Macedonia (instead of the Americans) establish its own army, and Serbia would sell it weapons cheaply, since it has far too many of them. Macedonia, of course, would receive them under favorable terms, but in return it would have to open the border with Serbia.

It has not been ruled out that Milosevic decisively demanded from Gligorov that this republic, as it has been in the past, should be an import-export safety valve that would save the Serbian economy from the consequences of the sanctions. Of course, this is not without significance for Macedonia, since it itself exports 70 percent of all its products through Serbia or to its market, but with the profits that it has earned in recent years from Serbian imports of raw materials from third states, it has not only not created relatively stable social security, but also the population's confidence in the new state and its authorities, while at the same time avoiding social unrest.

Consequently, people in Skopje are wondering now whether Milosevic has already "canceled out" Douglas Hurd, who will also visit Macedonia this week, allegedly with the intention of finally closing all the Serbian borders.

No one in Kiro Gligorov's office wanted to report whether the main problem between the neighbors had already been solved, namely Serbian (Yugoslav) recognition of Macedonia, since Milosevic has already "revoked" the recognition signed some time ago by former Prime Minister Milan Panic. The office is angry that the media gave so much emphasis to Milosevic's visit, and thinks that everything has been "exaggerated" too much.

Commentary on Joint Action Program

93BA1096D Belgrade POLITIKA in Serbo-Croatian 30 May 93 p 8

[Article by Ljubodrag Stojadinovic: "The Drina Is Carrying Something"]

[Text] Observers on the Drina, this is that third and perhaps most important link in carrying out the "program of the Five" for Bosnia. But before everything is resolved at the level of what appears to be nonexistent Yugoslav diplomacy, a look should be taken with more military caution at the essence of the revolution establishing the war crimes tribunal. The deployment of the forces of the UNPROFOR [UN Protection Force] in safe areas is seen in the Muslim world as "freezing the Serbian victory" and perhaps final recognition that the Vance-Owen plan has breathed its last.

But all of this, and above all the surprising American change of direction from the violent military bristling to pronounced diplomatic caution, has instilled confusion, especially in those who expected intervention against the Serbs in Bosnia as a tardy inevitability. Intervention has been pushed aside, far from the scene, and in some places it is still being mentioned only superficially, as a possibility which has not been really altogether forgotten.

Of great importance to us are two points in the program, and each of them runs risks of the phenomenon of indirect complication. If the war crimes tribunal is set up on the basis of the criteria and stereotypes which have been publicly established concerning the war in the Balkans, then the list of suspects could be very fascinating. But if the international tribunal becomes legitimate, and its juristic definition of crimes and criminals is published, then the analogy to Nuremberg could be completed with additional actions of the Security Council. For example, the demand that the accused be placed at the disposal of the court, combined with an alternative that is still more unpleasant than a total blockade. That is why it is inevitable to use the time that remains for a precise and serious inventory of the arguments which leaves the Serbian victims not the pathetic aura of martyrs to history, but defines the place of their torturers in the defendant's box. This will not, of course, be possible if quasi-patriotic exhibitionism, expressed in the ugly phenomenon of certain scientists placing their own personality ahead of the destiny of the victims, prevails in the various government commissions.

In any case, with respect to the additional blockade of Yugoslavia by means of observers, a fair amount of confusion has also resulted from the complete disagreement between the federal and Montenegrin administrations. President Cosic rejected the possibility of the Drina being a pronounced symbol of Serbian hermetization on both the left and right banks. The reserve of Mr. Cosic, who commands the Army of Yugoslavia, is quite understandable, because the role of the observers has not been reduced to the neutral position of unbiased arbiters. What we are talking about here is the intention of having an armed force of Yugoslavia included in the blockade of its own country and a portion of the people who are not in the parent country.

So, this country's cooperativeness in the affair of the observers has already been stretched to the limit, along with the nearly incredible conception whereby the FRY must be the most zealous in its own blockade. Of course, we should not preclude some model of supervision of Yugoslavia's behavior, with its consent, but the most recent forecasts of how long the sanctions will persist are

depressing and evoke a justified suspicion of the purposefulness of the pronounced steps of goodwill.

The statement by Mr. Lekic about the unreserved acceptance of observers by Montenegro is already the subject of numerous analyses as to what is the gist of that diplomatic incident? So, is the split in Yugoslavia visible to the point that there is no longer material even for a cosmetic papering over of the cracks? A differing view of the war by the Serbs in Yugoslavia and those in Bosnia and the Krajina is already being counted on. The British believe that Montenegrin separatism is no longer just a matter of projected political philosophy. The soldiers preserving the integrity of the most recent Yugoslavia have in the recent past become accustomed to a conflict between fundamental political conceptions, and this has serious consequences for their task. Who, then, is determining the fate of the borders of zabljak Yugoslavia: the federal state, or a state within it, and whose interests are more urgent at this moment?

There is no answer, but presentation of the bill is not far off at all. The Army of Yugoslavia is being shaken these days by scandals, along with its rough tumble to the bottom in terms of social welfare. The transformation is moving forward at the pace with which the conservative ballast can be thrown off. Economists are offering realistic, but nevertheless disastrous forecasts, the average salary even in November will be less than 5 marks. If there is any at all.

How under those conditions is one to define a reasonable attitude toward defense of the country and toward borders? The dilemma must be horrible: Either renounce any contact with the "diaspora" or a long death agony in a country with no food, drugs, or information.

The fact that we almost certainly have avoided war is not very consoling in the face of such a hopeless peace. But the lesser evil should be chosen. And this is above all that we are not proclaimed to be criminals, we are not being used to arrest ourselves, and so that we do everything so that the image of us is not created on the basis of statements and threats of people who are not really altogether well.

In other words, the conception of the way out of hell still has not been substantiated, and if it exists at all it is being kept as the most precious secret. That is another key problem, we all sense the ruination, optimism is reserved only for those who possess the secrets.

Experts Disagree on Causes of Economic Chaos

93BA1099D Belgrade POLITIKA in Serbo-Croatian 28 May 93 p 7

[Article by A. Cubrilo Kosovac: "Economic Chamber on Economic Chaos: Money on Streets Instead of in Factories"]

[Text] *The "mass printing" of dinars has not caused astronomical inflation, as some contend; rather, it is the migration of prime issue funds to the street black market for foreign exchange, says Vlajko Stoiljkovic; businessmen seek out prime issue funds for one thing, and then use them for something else, says Vuk Ognjanovic.*

Despite the blockade, the decline in production must be halted at any cost. Apparently, instruments applied thus far have proven ineffective, and whether we are to be or not to be depends on whether new instruments are found quickly enough.

This conclusion has emerged from the assessment that industrial production during the first fourth months fell to around 40 percent of the monthly production in 1989. This with inflation running at over 200 percent, the volume of foreign trade at a minimum, a large number of enterprises with production partially or completely shut down, and uncontrolled issue of money.

And while both businessmen and NBJ [National Bank of Yugoslavia] Governor Vuk Ognjanovic agree that the economic situation is chaotic, as the president of the PKJ [Economic Chamber of Yugoslavia], Vera Kazic, described it at yesterday's meeting of the Chamber's Executive Board, there were argumentative tones concerning its causes, at least in terms of nuances.

Thus, Vlajko Stoiljkovic, the president of the PKS [Economic Chamber of Serbia], emphasized that prime issue, the part of it used in production, clearly has not caused the inflation in question, as some people think. If the money had arrived in time, and not in early May, inflation would even be lower than it is today. The problem, he said, lies in the lack of control over the flow of money and the absorption of money from prime issue intended for production by the street market for foreign exchange.

Because of all this, Stoiljkovic says, we have not achieved our projected goal. Results have not been forthcoming, but, he stresses, this is primarily true in the area of state and banking measures. Because it is the state's job to reveal who is not turning over his daily receipts, choosing instead to "capitalize" them on the black market.

Emphasizing that he is professionally and personally convinced that the Yugoslav economy needs shock therapy, Vuk Ognjanovic directly addressed the president of the PKS with the comment: "You are often reckless in concluding that if money arrives, we will also have production, which I consider inaccurate." As an illustration of this assertion, the NBJ governor noted that 100 billion dinars of prime issue were sent to the account of "Zastava" in Kragujevac, which according to his information were not used for the planned purpose of buying components from suppliers. This was denied by Radivoje Andonovic, the secretary general of the PKJ, who said that the funds in question did indeed go to suppliers, as planned.

The NBJ governor stubbornly stuck to his assertion that the 13.7 trillion that was "mass-printed" from prime

issue is not a small sum, under the condition that it be used as promised by those who requested the money. Of the noted amount, 4.3 trillion was "thrown" into public consumption, while the remaining 9.4 trillion went to economic programs. This relates to the period from the beginning of the year to 26 May.

These two opposing positions were reconciled to a certain extent by Vera Kazic, who noted that businessmen who accuse commercial banks of using money for purposes for which it was not intended are not free of blame either, because those same businessmen sit on the boards of these financial institutions, so that their silence concerning such behavior is sheer hypocrisy.

Sanctions Impact on Health Discussed

93BA1096A Podgorica POBJEDA in Serbo-Croatian 26 May 93 p 6

[Article by Jovanka Ljubenko: "Increased Mortality, Health Threatened"]

[Text] Podgorica, 26 May—The operations headquarters of the federal government to monitor the health service's supply of drugs, medical supplies, bandages, equipment, and replacement parts has conceived a new strategy in health care.

Everything that up to now has been planned in this field in Yugoslavia seems to have been prepared for a fortunate and highly developed society. To our misfortune, the society of nations did not want to deprive us of suffering, scarcity, and uncertainty even in the humanitarian area. On the contrary. The first analyses being reported by distinguished Yugoslav physicians are astounding. They say that since Resolution 757 was implemented on 30 May mortality has risen considerably in Yugoslavia; a few days ago it was reported that the increase is 20 percent. Even the healthy population is in jeopardy, because shortages of even the most basic drugs are increasingly frequent. Distinguished drug suppliers are going into bankruptcy or, more popularly put, going on mandatory leave. To tell the truth, numerous disagreements with the competent ministry in Montenegro, along with all the other troubles, have resulted in the departure of a large number of employees of Unifarm for mandatory leave. The supplier which until recently supplied a very high percentage of the Montenegrin market has been deprived of the opportunity of even replenishing some of the drugs it lacks. However many suppliers there are at this time, they would not replenish the almost deserted pharmacies.

Inventories Coming to an End

Funds for health care in the republics are diminishing; there is not even enough foreign exchange for purchases if purchases were possible. The laws regulating health care are unrealistic and are suitable to some better times in the past.

The present, unfortunately, is not inclined toward human beings. The message to the world from the highest point in the state is that Resolution 820 has placed the entire population of Yugoslavia in jeopardy. However much the powerful have hidden behind the phrase that the humanitarian sphere is exempted from the sanctions, the obstacles which Yugoslavia faces when decisions are made about purchases of drugs and medical equipment are becoming increasingly visible. On the basis of a proposal from Belgrade, priority in health care is guaranteed to the following: children under age 18; women during pregnancy, childbirth, and one year following childbirth; persons over age 65, the physically and mentally handicapped, persons suffering from kidney diseases who are on dialysis, diabetics dependent on insulin, mental patients, and those with malignant tumors, as well as the neediest segments of the population.

The proposed health care strategy drawn up by the medical operations headquarters is already being implemented. There is maximum thrift in the health service, because all inventories are coming to an end. Circumstances have compelled people to behave rationally; the only question is what rationality means in the health service. Is a saving at the expense of health really a saving?

In the Republic of Serbia alone, health services centers receive about 25,000 visits, of which no fewer than half are urgent cases which cannot wait for the mercy of either physicians or the powers that be in the world. The figure of 150,000 acute illnesses should be a red signal lamp for the conscience of the world, assuming it has a conscience.

Can 370 pregnant women, the number who give birth daily in Serbia, await childbirth without anxiety when they know that fewer and fewer of the necessary materials are available in gynecological departments?

In Yugoslavia, an immense number of people have become ill from chronic noninfectious diseases, and their ability to work depends directly on the consumption of drugs which are essential to them: about 40,000 kidney patients on dialysis, 23,000 diabetics dependent on insulin. The health service in Yugoslavia is highly, too highly, dependent on foreign suppliers. Unfortunately, factories manufacturing drugs were not uniformly distributed in the former state, and this is taking a fierce toll on the public under the blockade.

For Many People It Is Late

The measures proposed for economy and efficiency in health care do not signify a layoff of personnel or the closing down of medical institutions, although the necessary centralization is having an adverse impact on numerous distinguished medical institutions. The main tasks facing health care personnel have been clearly formulated. The call is made for republic statutes concerning the extent of health care, the scope and content

of rights, the list of the most fundamental drugs and preparations, a piece of legislation on the manner of distribution of drugs....

In both Serbia and Montenegro, there are increasingly loud demands to increase the amount of the contribution. 30 percent of the funds lacking for the reduced quantities of drugs and the reduced total costs in health care activity. As for the world, it can be certain that the sanctions have been effective. For many Yugoslavs, it is already too late. They are in those statistics that confirm that in the year since the blockade began the mortality rate has risen 20 percent, a statistic that stands as a warning and as a condemnation.

Inflation Could Cause Financial Chaos

93BA1093G Belgrade POLITIKA in Serbo-Croatian 18 May 93 p 11

[Article by Lj. Cudomirovic: "Bringing Down Inflation Is the First and Most Important Task"]

[Text] In an almost dramatic international political environment and with domestic economic difficulties that are exceptional in many respects and enormously high public expenditures, along with the impossibility of conducting a valid economic policy governing the exchange rate of the dinar, and also with an expansive monetary policy—which the economy and its associations are every day complicating still further by presenting new and ever larger bills for the use of primary note issue—the National Bank of Yugoslavia [NBJ] has found itself in very practical terms at a fateful crossroad.

Thousands of Billions From the Printing Plant

Either we are going to continue the road we have traveled up to now and face unreckoned economic consequences, or we will become serious about the economy and turn toward what the NBJ considers the first objective and main task: bringing down the present hyperinflation.

This in brief is the truly dramatic message which Vuk Ognjanovic, M.A., governor of the National Bank of Yugoslavia, delivered yesterday to newsmen and to the public; he asked very precisely for understanding and support, above all on the part of business executives and manufacturing firms, and then economic chambers and the banks, in future urgent drafting of a macroeconomic program in which monetary policy and newly printed money from Topcider would not be the only pledge to economic survival.

"We expect understanding from the public, from the economy, from the banks, and, of course, from political figures to put a stop to the greater or lesser neglect of money or any kind of financial discipline, because otherwise the present economic situation could have unforeseen consequences and a financial breakdown," Governor Ognjanovic said, making a detailed case as to why the Central Bank considers the present and future, first and only, and afterward the most important, objective to be bringing down the present growth rate of inflation and abandoning the logic and policy of supporting the "so-called" production that is still possible, which refers to practically anything.

Before this admonitory appeal, Ratko Banovic, M.A., chief director of the sector for monetary affairs, and Toma Nedeljkovic, director of the Secretariat for Foreign Exchange Affairs, presented in detail all the relevant figures concerning the predicted growth of primary note issue in the second quarter of this year. According to Banovic, in the second quarter of this year, that is, over the period of April, May, and June, the total growth of primary note issue envisaged amounts to a new 7.6 trillion dinars, of which 4.8 trillion would go to credits to the federation alone. For the so-called selective purposes, there would be loans of a new 4.7 trillion, of which 3.6 trillion would go to agriculture alone. In the second quarter of this year, it is envisaged that the liquidity of the banks would be supported with 538 billion, which actually would "iron out" the dinar liquidity of the banks because of the purchase of old foreign exchange savings, while credits for so-called special programs and to stop the further decline of production would amount to 2.1 trillion.

Enormous Pressure of the Economy

In April alone, 1,462 billion dinars were printed for selective credit financing, and as of 14 May this amount was increased to 2,552 billion. The plan was to spend 2,128 billion to support and finance spring planting, but in April 912 billion dinars were used in response to all demands, and then by 14 May the amount envisaged by the limits of monetary policy was used only partly, specifically less than 1,650 billion dinars. Among other things, 450 billion dinars were used in April alone to finance coal inventories, and then up through 14 May another 258 billion dinars, while of the 2,000 billion envisaged under the program of the federal government for the formation of inventories (nonferrous metals and others) 250 billion were used.

The April change in the exchange rate, that is, the devaluation, resulted in a considerably higher definitive purchase of old foreign exchange savings from individuals, so that in actuality, in spite of the planned amount of 538 billion for these purposes in April, 1,500 billion was spent, and then another 250 billion by 14 May. In spite of all the figures presented, applications for the use of new amounts from primary note issue are literally increasing by the day, and, except in agriculture, in the opinion of the leading people in the National Bank, most of the rest are not realistic.

Toma Nedeljkovic, director of the foreign exchange sector, also made the case in detail as to why the foreign exchange rate of the dinar, that is, the two official commercial rates and the customs rate, was modified before 10 April, when a devaluation in the amount of 6,300 percent was carried out.

Nevertheless, the so-called black market rate grew at a much higher rate, so that yesterday when this was announced to journalists, 1 mark was worth all of 240,000 dinars instead of 47,500 on the black market.

[Box, p 11]

The Banks and Firms Are Mainly To Blame for the Wild Rise of the Exchange Rate on the Black Market

Expressing confidence that in the future conduct of economic policy Yugoslavia still has chances of turning the present trends away from a disastrous outcome, which is to say above all that the rise of prices in the coming period would be brought under control to some extent, provided a truly consistent showdown with hyperinflation is prepared, the governor of the National Bank yesterday made the assessment for the first time that business firms and banks are the biggest culprit for the most recent wild rise of the exchange rate on the black market in the street. Up to now, there has been no appropriate control in that sense, and the public has figured in the improvised selling on the street exclusively as purchaser of only one-tenth of all the foreign currency sold. With their demand for marks, dollars, and other currency, that is, individuals have not made a decisive contribution to the uncontrolled rise of the enormous amounts of dinars offered and paid for marks and dollars at any price, Vuk Ognjanovic, M.A. said.

NBJ Governor for Change in Monetary Policy

93BA1101C Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 24 May 93 pp 13, 14

[Interview with NBJ Governor Vuk Oganjanovic by Vladimir Grlickov; place and date not given: "How To Avoid Monetary Collapse"]

[Text] The National Bank of Yugoslavia [NBJ] is facing a big dilemma over what to do next: whether monetary policy should follow the attempts to achieve peace, lift the sanctions, and rebuild the economy, or whether to confront the catastrophic consequences of unchanged relationships and the inevitable financial and economic collapse. We spoke about this with NBJ Governor Vuk Ognjanovic.

[Grlickov] The dilemma facing the Central Bank and you as its governor has to do with the primary issuance. In these conditions, it takes courage to say "No" to the pressures on the primary issuance. Do you think that it would be possible to postpone that decision?

[Ognjanovic] The situation facing the central bank is extremely difficult and sensitive. It is under great pressure from an unfavorable state and economic environment. The cost of living is growing dramatically. The Central Bank's crisis is also of a moral nature. It is at a turning point, and the course of action will depend on answering the question of whether to take a risk and face the serious consequences of further monetary expansion, or whether one should become calm and serious.

If these pressures on the primary issuance continue, we will inevitably face economic and financial collapse, which implies a devaluation of the national currency, which will be followed by a foreign exchange collapse as well.

[Grlickov] The situation in the black markets, because of the unfavorable economic situation and the expansive monetary policy, speculation, and war profiteering, is most obvious in the exchange rates' "running wild."

[Ognjanovic] It seems that that price has to be paid, as is the case in all countries where socialism is collapsing. It is another matter that we apparently missed the chance to keep things somehow under control, however.

[Grlickov] Perhaps it is time to start thinking about adopting a comprehensive monetary and economic program, in which there is no room for insistence upon "reviving" production with "paths" for an expansive monetary policy.

[Ognjanovic] The problem and disappointment is that the primary issuance is being used for production, but without any results or any goods. We have to make a clear decision on whether our goal is curbing inflation, or a stimulation of production that is not possible.

The attitude toward monetary policy has to be changed. It should influence curbing hyperinflation in the second half of this year. In this regard, we must avoid disagreements with the public and the responsible ministries, which occur in connection with intervening in the issuance and the expansion of the monetary framework. I do not have any illusions that after the sanctions are lifted inflation can be curbed quickly, since even before the sanctions, the state and the economy lived on an inflationary basis.

[Grlickov] The monetary and foreign exchange framework is being punctured at several levels, and the impression that has been created is that financial organizations are to blame.

[Ognjanovic] It is being cracked by financial organizations which are gambling with extremely high interest rates and illicit experimentation in trading in money. The state political and economic pluralism is involved, however. The system is disunited, without having the same attitude toward the violators of regulations. It is not good that the Law on the National Bank has not been passed; it would give the central bank sovereign rights and powers vis-a-vis the republic, provincial, and regional banks. In any case, if the pressures and monetary expansion continue, the consequences may be tragic.

[Grlickov] There are big arguments over the dinar's exchange rate, because there is no official adjustment of it. It seems that you and the NBJ are openly opposing that.

[Ognjanovic] There are no valid arguments for changing the exchange rate. Under the conditions of expansive

monetary policy and hyperinflation, one should not expect results from changes in the exchange rate. As far as the old foreign exchange savings are concerned, I think that the basic solution cannot lie in changes in the exchange rate and in the primary issuance. In any case, it is not good that the problem of the old foreign exchange savings has not been settled by law.

[Grlickov] The restriction of interest rates does not support a dinar solution for the foreign exchange savings either. Keeping dinars in the banks is not being encouraged.

[Ognjanovic] It was thought that interest rates would be an anti-inflationary anchor. Unfortunately, they are the only one, and that is why they do not have any effect. We should think about how to change the attitude toward monetary policy as a whole, in regard to which the level of the discount rate should also be made equivalent to market interest rates. Perhaps that would reduce interest in the primary issuance.

[Grlickov] Your position is that the problem of the black market and the exchange rate does not lie in the monetary sphere. Explain that.

[Ognjanovic] We determined by analysis that the problem is not just with cash, and that is why we should think about a new model for fighting the black market. We would proceed from the assumption that there is a correlation between monetary growth and price trends. Banks and firms are giving an impetus to the black market exchange rate, which would not be possible if that burden were kept from being shifted to prices. In any case, the mechanism for attacking this area should not be concentrated on cash alone, because there is also a flywheel elsewhere.

NBJ Prints New Five Million Dinar Bill

93BA1099A Belgrade POLITIKA in Serbo-Croatian 26 May 93 p 9

[Article by Lj. Cudomirovic: "After Issue of New Five Million Dinar Bill: There Will Be Money for Pensions and Wages"]

[Text] *In the last year, money valued at more than 10 trillion dinars has been printed; the republican and provincial national banks are requesting from the Central Bank as much as 16.7 billion; salaries are increasingly being paid in several installments.*

The enormous increase in prices and the accompanying growth in salaries and other personal income, including pensions, have forced the National Bank of Yugoslavia [NBJ], only one month after the release of what was until recently the highest denomination—500,000 dinars—into everyday cash circulation, to issue a bill 10 times larger, and thus valued at five million dinars.

The director of the Treasury Department at the National Bank of Yugoslavia, Bojislav Tomic, quoted to us the figure that in the period from 1 July of last year, when the redenomination of the dinar was carried out and a new series of bills and coins was put into circulation, through 30 April of this year, cash amounting to 10.432 trillion dinars was provided to the national banks of the republics and provinces. Of this amount, 8.932 trillion was in circulation in late April of this year. However, cash accounted for 32.1 percent of the money supply at the end of April, thus showing a slight decline in relation to March (when it accounted for 32.9 percent).

Despite this, demands for the release of new, fresh money continue to be strong, said Vojislav Tomic. In his words, during May of this year alone, the national banks of the republics and provinces asked the National Bank of Yugoslavia for new cash amounting to 16.7 trillion dinars. Of that amount, the National Bank of Yugoslavia had provided nearly 60 percent to the national banks of the republics and provinces by 21 May. The remainder, Tomic said, will be provided by the end of the month, in part from that quantity of cash that is returned from circulation through trade payment channels.

Moreover, the Board of Governors of the National Bank reached the very decision to issue a five million dinar bill today primarily in order to meet the increasing demand for cash, which apparently is primarily a consequence of runaway inflation. The distribution, or rather delivery of the new bill to the treasuries of the national banks of the republics and provinces, was carried out in a timely fashion, so that in Tomic's words, it is expected that there will be enough cash for the time being, i.e., for the pension payments that are under way, as well as for the payment of personal income and other earnings.

In connection with this, Vojislav Tomic points to the latest practice of paying out personal earnings on a daily basis, so to speak, not only through various refunds, credits, and "loans," but also various other social contributions and naturally through the payment of personal income. At the same time, this practice is accompanied by the increasingly common phenomenon in many enterprises, and even in state institutions, of keeping the earnings of their employees from passing through their checking accounts. Tomic is convinced that this only heightens the pressure to use cash, while in his opinion such heavy demand could not only be reduced, but a reasonable amount of order could also be imposed, if personal income and advances were always paid out on clearly specified days of the month, as is the case with pensions.

[Box, p 9]

"Tesla" of Five Million

The new five million dinar bill that is in circulation as of today has on the obverse (front) an imprinted engraving of a portrait of Nikola Tesla. On the reverse (back) of the bill is a stylized representation of one of Nikola Tesla's most important inventions. The dominant tones on the bill are purple and blue. Nevertheless, our advice to

people, especially to those who have trouble adapting to novelties of this kind, is that they closely examine every bill before spending it, because the introduction of ever-higher denominations means that the possibility of such a mistake would be a major risk for many.

National Bank Closes Savings Banks

93BA1097B Belgrade POLITIKA in Serbo-Croatian 29 May 93 p 9

[Article by B. Dumic: "Crnogorka, Biznis Centar, BMB, and Belkon Bank Shut Down"]

[Text] The National Bank of Yugoslavia [NBJ] has prohibited the operation of the savings bank Biznis Centar, the savings and credit service Crnogorka, the savings bank BMB, and the savings and credit organization Belkon Bank. The ban came after an audit of the business operation of these savings banks in an action of the central bank that began last week.

The savings banks Biznis Centar and Crnogorka are well-known for having offered high interest rates in foreign exchange to savings depositors for months, although the law does not allow that, because they are not banks. The NBJ decision to put a padlock on the door of these savings banks will therefore disappoint a large number of their aggrieved depositors. To be sure, Biznis Centar had ceased operation even before that, more precisely, it had ceased to pay out foreign exchange deposits, and the owner is in pretrial custody.

Olga Jovicevic, owner of Biznis Centar, we have learned from Nebojsa Markovic, deputy district public prosecutor, was questioned yesterday morning. She defended herself, he added, by maintaining silence, and then was taken back into pretrial custody. The investigation into what the indictment refers to as appropriating the money of savers, and there are 1.7 million marks [DM], $52,000, and about 9,500 Swiss francs involved, is under way.

Yesterday, we were unable to learn in the National Bank who is the owner of the other three savings banks and what was the amount of savings in them. The fact that Crnogorka was at the top among the savings banks which for months, and even now, offered extremely high interest rates on foreign exchange suggests that perhaps a large number of depositors will lose their deposits.

They also told us in the National Bank of Yugoslavia that the immense job of auditing the savings banks has barely begun. Various financial organizations which call themselves banks have multiplied, and according to certain figures about 1,500 of them "sprang up" in a short time. Inspectors from the National Bank of Serbia as well as from the Agency for Settlement have been enlisted so that the auditing of them all goes as fast and is performed as soundly as possible.

But the problem does not lie only in the participation of a large number of people who will audit the operation of the savings banks. There have also been problems in the field: Some of the owners, we were told in the NBJ, could not be found at the address that was entered when the savings bank was registered. In that case, they explain in the NBJ, they also prohibit operation of the savings bank and block a "live" giro account.

The big question is the extent to which the (tardy) action of auditing the numerous savings banks will be of help now to all those who put their money in them. There is also a dilemma as to whether the decisions of the central bank, and it received the task of oversight from the Yugoslav Assembly, will be fully respected. Suspicion is encouraged by yesterday's advertisement in the newspaper in which the savings bank Crnogorka (its operating permit was revoked last week) is continuing to advertise, offering not only the purchasing of apartments, cars, and other durable goods, but also the sale of stock of industrial producers and foreign exchange savings at a monthly interest rate between 17 and 25 percent!

The savings bank Crnogorka has also informed its depositors on the advertising pages of POLITIKA that it has opened up a new office. At the same time, this savings bank is informing its depositors that on the spot they can withdraw only interest, and they must reach an agreement with the owner concerning the principal.

One of our readers who is a depositor in Crnogorka, afraid to withdraw the money because his contract still has not expired, asked us yesterday: "Are they just giving us the runaround, and what do you think, will they pay us foreign exchange, because they say they do not have marks and instead of them are paying schillings or dinars?"

So, probably only the owners of these quasi-banks know whether and when all the depositors in this and other savings banks will get their money. But one thing is certain: Clearing up the chaos on the financial market has finally begun, and that is important. However, it remains to be seen who will be cleaned out and for how much.

Foreign-Currency Black Market Drying Up

93BA1098E Belgrade BORBA in Serbo-Croatian 27 May 93 p 11

[Article by Z.H. and J.K.: "Black Days for Foreign-Exchange Black Market: Not Even Foreign Exchange for Medicine"]

[Text] It appears that bad times have hit even the black market, because the street trade in foreign exchange has fallen off sharply. It is hard to believe that the measures by the federal government and National Bank have had an effect on this, although that was their basic intention. One of the leading dealers on Francuska Street in Belgrade explains for BORBA what is actually happening.

"The problem is that there is not even foreign exchange for medicine, while right now there are as many dinars as

you want. The banks are no longer present on the black market buying up foreign exchange, which was our most lucrative trade. And there are very few people selling it on the street, because they are all taking it to savings banks and exchange offices and selling it through their accounts at a higher exchange rate. In this way, the black market is slowly disappearing, at least on the street."

The shortage of foreign exchange is the main reason that the mark recently surpassed the 300,000 dinar mark. Moreover, pensions have also been paid in, which automatically increases the exchange rate. However, not even that has a significant effect, because people buy 10 or 20 marks a piece, just enough to protect their pittance from declining value. Today, for example, they buy 30 marks and in a week they sell 10 marks, and then another 10 a week later, and in this way they attempt to survive.

The same thing is true of the sale of foreign exchange, the dealer says. "It is increasingly common for people to come with a 100-mark bill, but they want to sell only the 20 or 30 that they need simply to survive. The problem here is that we do not have the means to give them back the 70 marks that they do not want to sell. After all, we are not a bank."

Previously, the owners of private stores and shops came every evening after the close of business to convert their earnings into foreign exchange, and thus to protect themselves against inflation. Now, however, even they no longer come for the most part, because they have no earnings, so that they do not have anything to buy foreign exchange with. It appears that everyone's business is bad.

Two months ago, the total daily trade in foreign exchange on Francuska Street amounted to at least 20,000 marks, and now it is one-tenth that—scarcely 2,000 marks are turned over. The dealer says that the difference between the buying and selling price is 5 percent, while previously it was 10 to 20 percent. Because of the sharply reduced trade and the smaller difference in price, the dealers are also earning less, so that now that comes to 50 marks at best. And often it is much less, or even nothing.

The only thing that is the same is that the police are still regularly calling on the dealers. Some of them are taken in, some of them have their identification cards torn up (!?), while everyone who is searched loses all the foreign exchange and dinars found on them.

"Everyone is doing their job, and there is no anger here," the dealer says. "However, they have no right to tear up people's identification cards, because that is not stipulated in any law. Similarly, when they take away my foreign exchange, they give me a receipt, but I have yet to receive a court summons for a violation. That is why I often wonder where this foreign exchange taken from me and other dealers ends up—in some state account or back in private pockets?"

Agriculture Affected by Lack of Herbicides, Fuel

93BA1091F Belgrade POLITIKA in Serbo-Croatian 22 May 93 p 10

[Article by V. Djurdjevic: "Drama in Sown Fields: Going After Pests With Hoes"]

[Text] *Experts warn that weevils and weeds threaten to ruin 3.5 million hectares of fields; not enough protective agents and fuel.*

Good, encouraging news came in from the fields in May, most of all about the course of the planting, which was successfully carried out on more than 2.5 million hectares. Combined with the land that was sown with grain during the fall and spring, that makes more than 3.5 million hectares!

However, nothing in agriculture is a sure thing until the crops are harvested and put in safekeeping. In recent days, experts have been warning seriously that we should deal in earnest with "occurrences" in the sown fields. Plant pests and weeds are a threat, because some of them like dryness and others like rain. That is how it is in the open-air factory.

"In Vojvodina, 660,000 hectares of corn were supposed to be sown, but according to my estimate as much as 700,000 hectares were sown. This offsets what was not sown with sugar beets and soybeans. However, right now the sugar beets are seriously threatened, most of all by weevils, while corn is threatened by weeds and corn weevils. We recommend that farmers immediately go out into the fields, look at their crops, determine the principal areas affected, and take defensive measures. How? There are no herbicides or other protective agents or they are very expensive, and there is not enough fuel; however, one must work the land with machines two or three times and if that is not possible, then weed the corn as well as the beets with a hoe. This represents a return to the old way of working, but there is no alternative. Weeds and weevils can diminish the harvest by as much as 30 percent. Corn should also be fertilized if we want high yields, say with 40 to 60 kg of pure nitrogen per hectare (during the second or third cultivation). That is expensive for farmers, but without that there will not be good results. Naturally, a lot of it depends on the heavens," says Dr. Milutin Cirovic, the director of the Institute for Farming and Gardening in Novi Sad.

Erratic Rainfall

Farmers and other growers have been looking at the sky increasingly in recent days. There have not been heavy rains in more than 20 days. That is welcome in terms of sowing all the planned land (and even a little more), but it has reduced moisture, especially in the surface layers of the soil. There has been rain in recent days, but....

"The rainfall is erratic. Between 10 and 45 liters per hectare have fallen," says Dobrivoje Zivkovic, an agrometeorologist at the Hydrometeorological Institute of Serbia. "Anything under 15 liters per square meter is too

little, and leaves plants, some of which are in the most delicate stage of development, without enough water. The order of things has been seriously disrupted in this region, and the so-called water regime is very strained. Plants need enough moisture, especially wheat, which is in the most delicate generative phase, the earing-up phase. These days decide just about everything in terms of yield, meaning the total wheat harvest. There has been enough rainfall in Sumadija, in the Kragujevac area, but less in the Belgrade region, in southern Serbia, in Banat...."

However, while some do not have enough rain, it is creating serious problems for others. The rain that has fallen is creating a crust on sown fields while promoting weed growth. This requires working the sown fields, either with machines or by manual labor, hoeing the corn, beets, and other crops threatened by weeds. Because under such circumstances weeds easily devour the desirable plants, and in that case all the work is for naught, says Mr. Zivkovic.

Weevils on Top of Weevils

Farmers avoid planting sugar beets, because they are subject to many problems, most of all "attacks" by beet weevils. Sometimes they devastate crops even when all possible means are deployed against them. Right now there is no real defense against them, because there are not enough chemical agents available, or such agents are very expensive. This year, time considerations have not favored beet farmers, while their most important enemy is the weevil. As Bogdan Beric, the director of the Business Community for Industrial Plants of Vojvodina and clearly the top authority on this issue, said yesterday, weevils are quickly taking over fields sown with sugar beets not only in Vojvodina, but also elsewhere (Macva, the Danube basin, etc.). His assessments, published in our newspaper yesterday, are truly frightening. Two years ago, we produced around 600,000 metric tons of sugar (and those reserves continue to this day to be our salvation), while this year, in his assessment, we can expect only around 200,000 metric tons. There will be no sugar, and we will not be saved by possible imports either, because outside sugar is five times more expensive than our own, Beric says.

Unfortunately, it is possible that we will also be unable to protect other important crops that we have sown and which, despite everything, are thriving, and get them to the silo, storehouse, refrigeration plant, food-processing factory, and finally to our table and that of others. That would be the worst thing, even worse than sanctions.

Macedonia

Military Delegation Leaves for Turkey

LD2206164893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1544 GMT 22 Jun 93

[Text] Skopje, 22 Jun (TANJUG)—A Macedonian Army delegation, headed by Chief of the General Staff Lieutenant Colonel Dragoljub Bocinov, left today for Turkey, where it will pay an official visit to the Turkish Armed Forces, it was disclosed in Skopje today.

The military delegation of the former Yugoslav Republic of Macedonia, which left at the invitation of the general staff of the Turkish Armed Forces, will discuss ways of improving and strengthening bilateral military cooperation.

The late Turkish President Turgut Ozal laid the foundations of military cooperation between the former Yugoslav Republic of Macedonia and Turkey during his well-known visit styled "Laying siege to Serbia." During that visit, Ozal promised to train and school military cadres of this former Yugoslav republic.

Montenegro

Prime Minister on Effects of UN Sanctions

LD2206220093 Belgrade TANJUG in English 2024 GMT 22 Jun 93

[Text] Budva, June 22 (TANJUG)—Montenegrin Prime Minister Milo Djukanovic said on Tuesday that U.N. sanctions against the F.R. Yugoslavia had plunged the country's economy to the brink of collapse.

A large part of the population lives on the subsistence level, but the difficult social situation has not imperiled political stability of the country, Djukanovic told some 30 foreign reporters in the Montenegrin Adriatic resort Budva. However, he added, continued sanctions might deteriorate the political situation.

He described as positive Montenegro's democratic transformation and said the Yugoslav republic would further preserve peace as its biggest asset.

Reporters from Japan, Brazil, Spain, Germany, Poland, Italy and some other countries, who toured the Budva littoral, were particularly interested in Montenegro's tourism, heavily damaged by the sanctions and the overall situation in the former Yugoslavia.

Foreign journalists, who participated in the 31st international gathering in the eastern Serbian town of Smederevo last week, will meet with Federal Prime Minister Radoje Kontic in Belgrade on Wednesday.

Radical Party Accused of Destabilizing State

AU2206162393 Belgrade BORBA in Serbo-Croatian 21 Jun 93 p 6

[B.I.M. report: "The Serbian Radical Party Destabilizing Montenegro"]

[Text] Podgorica—"All this happening in Montenegro lately is the effort of individual groups to destabilize relations in Montenegro and seriously call into question the functioning of the legal order and the state. The perpetrators of criminal acts uncovered in Pljevlja and Niksic say that they are members of the Serbian Radical

Party," Vlado Susovic, state prosecutor of Montenegro, has told POBJEDA NEDJELJOM.

Susovic says that "not a single community in Montenegro is immune to violence to some extent, but violence has reached a worrying extent in Pljevlja and in Niksic and, regarding certain kinds of criminal acts, in Bijelo Polje and Podgorica." According to the state prosecutor of Montenegro, "violent behavior and terrorist activities have caused general insecurity among citizens in Pljevlja, as violent activities have almost become a practice, particularly the destruction of a large number of buildings using explosives." He added that "only a small number of perpetrators of these criminal acts have been uncovered, and punishment has been meted out only in some cases."

"The violence in Pljevlja escalated in August 1992, when defendant Milika Dacevic and a group of armed persons blockaded all essential buildings in the town," Susovic said and added that the criminal proceeding against these persons are under way before the Supreme Court of the Republic of Montenegro. "Just when we thought that this violent behavior in Pljevlja was going to end, it resumed. During the last two months, we have had new cases of violent behavior and this is again led by Milika Dacevic Ceko."

"All uncovered perpetrators of criminal acts in Pljevlja are members of the Serbian Radical Party and none of them denies that fact, and Dacevic, who, in my opinion is the perpetrator and organizer of the violence is that party's deputy in the FRY Assembly and member of the Committee for Defense and Security of the Chamber of Citizens. There is no need for me to make any further comment here," Vlado Susovic said.

Montenegro in Dire Need of Assistance

93BA1097E Belgrade BORBA in Serbo-Croatian 29-30 May 93 p 4

[Article by C.M.: "All of Montenegro on Welfare"]

[Text] Podgorica—It is obviously difficult for us in Montenegro to live in a total encirclement, alone, for all practical purposes in a prison consisting of Europe. Unless there are major changes of direction, we will have a hard time getting away from these problems. It is very important, then, that Montenegro use every possible presence in the world in order to make known to that world the undisputed fact which is that it has a reasonable attitude toward that encirclement, BORBA was told by Bozidar Gazivoda, M.A., finance minister in the Montenegrin Government.

Gazivoda says that the decline in the standard of living has reached the critical point, and the population has been brought to a state of barely maintaining elementary life. What is more, there are 70,000 refugees living in Montenegro at the moment. In a word, all of Montenegro is on welfare. This state of affairs is without doubt the reason why the government has created the republic treasury, whose function our informant explained to us:

"The treasury should not be seen as a political institution, because that is not what it is. This is an institution which facilitates optimum use of money and offers conditions for interventions in the economy."

The objective, then, is to reestablish balance in economic relations. And, very important, Gazivoda emphasizes, the decision to set up the treasury has not halted funds going to the federation, but it pools the funds which are uncommitted in the republic and which have been in the giro accounts of certain institutions—funds and elsewhere.

Gazivoda says about the new government social welfare program which will be financed from the budget that its purpose will be to attempt to redistribute what it has on behalf of the poor, the needy, and the refugees.